



ICE CLEAR SINGAPORE

Disclosure Framework

31 December 2025

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INTRODUCTION

Responding institution:

ICE Clear Singapore Pte. Ltd.

Jurisdiction(s) in which the FMI operates:

Republic of Singapore

Authority(ies) regulating, supervising or overseeing the FMI:

Monetary Authority of Singapore

The date of this disclosure is 31 December 2025. This disclosure can also be found at www.ice.com. For further information, please contact ICE Clear Singapore Compliance at compliance-singapore@ice.com.

I. EXECUTIVE SUMMARY

The objective of this document ("**Disclosure Framework**") is to provide relevant disclosure to market participants on the methods used by ICE Clear Singapore Pte. Ltd. ("**ICSG**" or the "**Clearing House**") to manage the risks it faces as a central counterparty ("**CCP**").

The Disclosure Framework is prepared in accordance with the internationally recognised "Principles for Financial Market Infrastructure" ("**PFMI**") published in February 2012 and developed jointly by the Committee on Payment and Settlement Systems and the Technical Committee of the International Organisation of Securities Commissions. No disclosure is provided with respect to Principles 11 and 24 as they do not apply to CCPs.

The services provided by ICSG comprise clearing services for the energy, financials and digital asset markets operated by ICE Futures Singapore Pte. Ltd. ("**IFSG**"), an Approved Exchange authorised by the Monetary Authority of Singapore ("**MAS**"). Data regarding volume by product open interest is available on the IFSG website. Participants in ICSG include banks, brokers/financial intermediaries, commercial entities and proprietary traders, among others.

The management (including the risk department) of ICSG identify, track and mitigate operational, financial and regulatory risks associated with clearing activities.

ICSG is an Approved Clearing House ("**ACH**") under the Securities and Futures Act 2001 of Singapore ("**SFA**") and supervised as such by MAS. As an ACH, ICSG is subject to the regulatory requirements for ACH under the SFA and its subsidiary legislations, notices and guidelines. On 24 September 2015, ICSG was recognised as a third-country CCP under Chapter 4 of Title III of the European Market Infrastructure Regulation ("**EMIR**"). In July 2021, the European Securities and Markets Authority determined ICSG to be a Tier 1 CCP under Article 25(2a) of EMIR. In January 2020, ICSG qualified under the temporary recognition regime for non-UK central counterparties, following its earlier application to the Bank of England for recognition as a Third Country Central Counterparty. ICSG is awaiting a tiering assessment by the Bank of England. ICSG remains eligible for temporary recognition until the temporary recognition regime expires at the end of 2026. In April 2023, ICSG was granted authorization by Hong Kong's Securities and Futures Commission to provide automated trading services in Hong Kong for the purpose of providing clearing and settlement services of trades executed on IFSG.

II. SUMMARY OF MAJOR CHANGES SINCE THE LAST DISCLOSURE

The major changes in 2025 include:

- A model change in the collateral haircut for ICSG's pegged currencies.
- ICSG's default auction procedure has been updated to align with the use of the web-based Default Management System for auction participants to submit their bids.

III. GENERAL BACKGROUND ON THE FMI

General description of the FMI and the markets it serves

ICSG provides clearing services for the energy, financials and digital asset markets operated by IFSG, including:

- (a) trade registration and management;
- (b) position management, margining and collateral;
- (c) treasury services, cash payment/receipt and billing;
- (d) risk management;
- (e) default management; and
- (f) contract expiry and deliveries.

As a CCP, ICSG's systems are designed to protect the financial integrity of the markets for which it acts as CCP by maintaining collateral, facilitating payments and collections, and limiting counterparty risk. Positions are marked to market at least daily, and at regular intervals throughout the day. ICSG maintains a comprehensive set of rules and policies in addition to risk management and governance frameworks. ICSG adheres to the required regulatory standards in relation to protection of customer assets.

General organisation of the FMI

ICSG is a wholly-owned subsidiary of IFSG, which is ultimately owned by ICE, Inc. ICSG is part of Intercontinental Exchange group, a leading network of exchanges and clearing houses for financial and commodity markets.

ICSG's governance structure is summarised below.

The Board is advised by its Nominating Committee, Conflicts Committee, Audit Committee, Remuneration Committee, Risk Management Committee and its Risk Committee (a consultative committee comprised of ICSG directors as well as external parties), in addition to senior management. The President & COO reports to the Board and is the person to whom the heads of the risk, compliance, legal, operations, finance/treasury functions report. The audit function organized by ICE, Inc. on a group-wide level provides internal audit oversight of ICSG.

Legal and regulatory framework

ICSG is subject to supervision by the MAS. The MAS reviews, assesses and enforces adherence to the SFA and the regulations promulgated thereunder on an on-going basis, including but not limited to, compliance with the Securities and Futures (Clearing Facilities) Regulations 2013 and the Securities and Futures (Corporate Governance of Approved Exchanges, Approved Clearing Houses, Licensed Trade Repositories and Approved Holding Companies) Regulations 2024. ICSG complies with the statutory objectives as set out in the SFA, which applies requirements on an ACH consistent with the international risk management standards set forth in the PFMI.

ICSG provides regular, as well as event-specific, reports to MAS relating to, among other things, audited financial statements, business, and any such other information as MAS may require for the proper administration of ICSG¹. The MAS will conduct periodic on-site visits and off-site reviews, and regularly engage with ICE Clear Singapore in order to monitor compliance with the PFMI².

¹ Securities and Futures (Clearing Facilities) Regulations 2013, Regulation 14

² See Question 3 of the MAS FAQs on Compliance with the PFMIs.

ICSG accepts transactions on the basis of an open offer mechanism for exchange-traded derivatives. Under an open offer mechanism, at the point an open buy order matches with an open sell order at the relevant market, the Clearing House will become the buyer to the seller and the seller to the buyer. For off-screen trades which are registered with ICSG for clearing (i.e. Block Trades, Exchange for Physical and Exchange for Swaps) a contract will form upon complete details being sent to ICSG and accepted through their systems at which point the Clearing House becomes counterparty to the trade based on open offer.

Whenever a Contract is recorded in a customer account of a Clearing Member, a back-to-back customer-Clearing Member Transaction with equal terms will also arise between the Clearing Member and its customer. The liabilities and obligations of the Clearing House will extend only to, and be enforceable only by, Clearing Members. Some contracts will be void from inception, and some via a 'filter mechanism' enable the Clearing House to avoid clearing certain transactions. The Clearing House can also request additional Margin or restrict a Clearing Member from increasing its open position, inter alia, if a Clearing Member exceeds its Position Limit.

ICSG receives only validated data in relation to both matched trades and block trades. The trading systems are designed to ensure that only details of matched trades or complete block trades are passed to ICSG for clearing. However, the Clearing House retains a right to reject Contracts in the event of an error.

Clearing Members have rights and obligations set out in the Clearing Rules and Procedures ("**Rules**") and a Clearing Membership Agreement ("**CMA**") and, where applicable, an additional addendum to the CMA. Every Clearing Member agrees to be contractually bound by the Rules as a result of becoming a Clearing Member.

System design and operations

ICSG organises its business activities by leveraging technology, operational centres and services that are used to service the exchanges and clearing houses of the Intercontinental Exchange group.

The clearing systems of ICSG encompass a number of integrated systems, most importantly the Front End Clearing System ("**FEC**") and the Extensible Clearing System ("**ECS**"). FEC provides real-time trade processing services enabling Clearing Members to offer real-time risk management services. Within FEC, if trades are marked for give-ups, Clearing Members can initiate allocations and monitor the status.

ECS supports open and delivery position management, real-time trade and post-trade accounting, risk management (daily and intraday cash, mark-to-market/option premium, and original margin using algorithms based on the ICE Risk Model algorithm), collateral management, daily settlement and banking. ECS is a state-of-the-art system offering open, internet-based connectivity and integration options for Clearing Member access to user and account management, position reporting and collateral management.

ICSG offers real-time trade confirmation of trades booked for clearing over standard FIXML formatted messages and supports a multitude of post-trade management functions including trade corrections, trade adjustment, position transfers, average pricing and give-up processing.

The risk management systems calculate real-time original margin and variation margin requirements of intra-day trade activity. Each day, ICSG follows a consistent sequence of events illustrated as follows (all times are Singapore Standard time ("**SGT**")).

Margin payments are due no later than 10 a.m. the following day, regardless of the time zone in which a Clearing Member is located. During the day, any shortfall calculated by the risk management systems can be called from the Clearing Member. Such calls are required to be met within the hour following their issuance.

Intraday variation settlement instructions are delivered to an Approved Financial Institution ("**AFI**"). AFIs are banks that have been designated as an approved financial institution by ICSG for the purpose of making and receiving cash transfers and payment transfer orders.

IV. PRINCIPLE-BY-PRINCIPLE SUMMARY NARRATIVE DISCLOSURE

The following sections contain a principle-by-principle summary narrative disclosure.



PRINCIPLE 1: LEGAL BASIS

Principle 1: Legal basis

An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.

As a robust legal basis for an FMI's activities in all relevant jurisdictions is critical to an FMI's overall soundness, this principle should be reviewed holistically with the other principles.

1. The legal basis should provide a high degree of certainty for each material aspect of an FMI's activities in all relevant jurisdictions.

Material aspects and relevant jurisdictions

The following are the material aspects of ICSG's activities that require a high degree of legal certainty:

- Rights and interests in financial instruments;
- Settlement finality;
- Netting;
- Arrangements for Delivery versus Payment (“DvP”), Payment versus Payment (“PvP”) or Delivery Versus Delivery (“DvD”);
- Open offer;
- Collateral arrangements (including margin arrangements); and
- Default procedures.

Currently, ICSG conducts business solely in Singapore and only with Singapore-incorporated Clearing Members.

Legal basis for each material aspect

ICSG obtains external counsel's opinion on the enforceability of its Rules on Clearing Members including the scenario of that overseas Clearing Member's insolvency.



PRINCIPLE 1: LEGAL BASIS

<p>2. An FMI should have rules, procedures, and contracts that are clear, understandable, and consistent with relevant laws and regulations.</p>	<p>The Rules are published on the website. Where necessary, the Clearing House may provide further guidance through circulars, which will also be posted on the website, to help clarify the intention behind relevant aspects of the Rules.</p> <p>ICSG takes legal advice on its Rules and CMA from external counsel as it determines appropriate. There is no evidence that the applicable legislation, regulations and rules are not internally consistent.</p> <p>ICSG consults publicly on changes to its rules except where the changes would have limited impact on its participants. Prior to filing any proposed rule change, and absent any emergency or other circumstance, ICSG may consult with its Risk Committee in relation to the proposed rule change where this affects its risk management framework. The Risk Committee is entitled to provide recommendations to the Board on risk-related matters affected by any rule change. ICSG must file all changes to the Rules (together with details of the purpose of such rule change) with the MAS in accordance with Regulation 30 of the Securities and Futures (Clearing Facilities) Regulations 2013.</p> <p>This governance process, as well as the procedures outlined in the Rules, allows multiple stakeholders to provide input and feedback regarding Rules amendments.</p>
<p>3. An FMI should be able to articulate the legal basis for its activities to relevant authorities, participants, and, where relevant, participants' customers, in a clear and understandable way.</p>	<p>ICSG provides details of the legal basis for its activities on its website and in dialogue with MAS, Clearing Members and customers as required.</p>
<p>4. An FMI should have rules, procedures, and contracts that are enforceable in all relevant jurisdictions. There should be a high degree of certainty that actions taken by the FMI under</p>	<p><i>Enforceability of rules, procedures and contracts</i></p> <p>All contractual obligations and rights between the Clearing House and Clearing Members are properly executed and expressly stated to be governed by the laws of Singapore or the laws of foreign jurisdictions in the case of certain pledges over margin collateral provided by Clearing Members from the United States. ICSG has sought legal advice to confirm that the Rules and</p>



PRINCIPLE 1: LEGAL BASIS

<p>such rules and procedures will not be voided, reversed, or subject to stays.</p>	<p>contracts cleared by the Clearing House are enforceable and that actions taken under the Rules will not be voided, reversed or subject to stays. Further, section 67(1) of the SFA provides that the Rules operate as a binding contract between the Clearing House and Clearing Members, and section 81C of the SFA requires that ICSG’s clearing and settlement functions will not be disrupted by Clearing Member insolvency.</p> <p><i>Degree of certainty for rules and procedures</i></p> <p>In addition, the Rules provide that in the event of inconsistencies between the Rules and applicable Singapore laws or regulations, such Singapore laws and regulations will prevail and the Rules shall be construed in a manner consistent with those laws and regulations. By complying with applicable laws, ICSG ensures that there is a high degree of certainty that the Rules will not be voided, reversed or challenged in Singapore or elsewhere.</p>
<p>5. An FMI conducting business in multiple jurisdictions should identify and mitigate the risks arising from any potential conflict of laws across jurisdictions.</p>	<p>Currently, ICSG conducts business solely in Singapore and only with Singapore-incorporated Clearing Members.</p>



PRINCIPLE 2: GOVERNANCE

Principle 2: Governance

An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.

In reviewing this principle, it should be noted that if an FMI is wholly owned or controlled by another entity, the governance arrangements of that entity should also be reviewed to ensure that they do not have adverse effects on the FMI’s observance of this principle. As governance provides the processes through which an organisation sets its objectives, determines the means for achieving those objectives and monitors performance against those objectives, this principle should be reviewed holistically with the other principles.

<p>1. An FMI should have objectives that place a high priority on the safety and efficiency of the FMI and explicitly support financial stability and other relevant public interest considerations.</p>	<p>The ICSG governance structure promotes the various statutory objectives set out in the SFA, including promoting the provision of safe and efficient clearing facilities and the reduction of systemic risk. Pursuant to section 57 of the SFA, ICSG shall also, amongst other things, ensure that it: (i) will not act contrary to the interests of the public when discharging its obligations under the SFA; (ii) will have sufficient financial, human and system resources to operate a safe and efficient clearing facility, meet contingencies or disasters, and provide adequate security arrangements; and (iii) will appoint and employ fit and proper persons as its Chairman and directors.</p>
<p>2. An FMI should have documented governance arrangements that provide clear and direct lines of responsibility and accountability. These arrangements should be disclosed to owners, relevant authorities, participants, and, at a more general level, the public.</p>	<p><i>Governance arrangements</i></p> <p>ICSG’s governance arrangements are consistent with publicly promulgated regulatory requirements, statutes and principles of common law.</p> <p>Company law in Singapore in the form of the Companies Act 1967 and associated common law principles, in conjunction with the articles of association, also regulate the general responsibilities, decision-making and proceedings of the Board and the shareholders of ICSG. For example, procedures relating to shareholder meetings and director’s meetings are amply described in these laws and regulations. The Board retains ultimate responsibility for the overall success of ICSG but is permitted to delegate</p>



PRINCIPLE 2: GOVERNANCE

management to ICSG’s officers and its own decision- and policy-making and adoption to certain of its committees (described above).

In particular, ICSG complies with the Securities and Futures (Corporate Governance of Approved Exchanges, Approved Clearing Houses, Licensed Trade Repositories and Approved Holding Companies) Regulations 2024. These requirements relate to the delegation of the Board’s responsibility to committees of the Board (e.g. Audit, Remuneration and Conflicts Committees). These regulations also set out the criteria relating to the independence of certain of the directors. Terms of Reference for each of the Audit, Nominating, Risk Management, Conflicts and Remuneration Committees detail the composition and responsibilities of these committees to which the Board delegates specific responsibilities.

The Risk Committee acts as a consultative body in connection with certain matters (principally, financial risk in connection with matters such as margin and stress-testing) composed of directors and participants in ICSG. Its recommendations are referred to the Risk Management Committee and/or the Board (as applicable) for adoption.

Finally, the Model Sign-Off Committee is established when required by the Risk Model Governance Framework. It has various responsibilities relating to the general oversight of the Framework, specifically including the review and approval of risk models.

Company Law (in conjunction with the articles of association) provide that the Board has control and management of the affairs and business and has all the powers and duties expressly attributed to it in the Rules. Ultimate responsibility for operations rests with the Board. The Board formulates or approves policy and oversees and directs the overall management of ICSG's business by its officers. The Board may from time to time delegate authority to the Risk Committee and other Board committees, ICSG officers or to others to act on behalf of ICSG.

Accountability to owners, participants and other stakeholders is achieved by the following methods as appropriate:

- The Board comprises two shareholder representatives;
- The Risk Committee comprises representatives for Clearing Members and their clients; and
- Information is made available upon request to the relevant authorities.



PRINCIPLE 2: GOVERNANCE

	<p><i>Disclosure of governance arrangements</i></p> <p>The Terms of Reference of the Board and the various Board committees are made available to relevant stakeholders but are not made available to the public. The public can access more general information about the governance of ICSG through its website or through its PFMI public disclosure document.</p>
<p>3. The roles and responsibilities of an FMI's board of directors (or equivalent) should be clearly specified, and there should be documented procedures for its functioning, including procedures to identify, address, and manage member conflicts of interest. The board should review both its overall performance and the performance of its individual board members regularly.</p>	<p><i>Roles and responsibilities of the Board</i></p> <p>The Board has control and management of the affairs and business and has all the powers and duties expressly attributed to it in the Rules. Ultimate responsibility for operations rests with the Board. The Board formulates or approves policy and oversees and directs the overall management of ICSG's business by its officers. The Board may from time to time delegate authority to the Risk Committee and other Board committees described below, ICSG officers or to others to act on behalf of ICSG. The Terms of Reference of the Board broadly documents such delegation from the Board to the Board committees and the officers of ICSG.</p> <p>The Board has various committees to assist with its oversight functions and to ensure compliance with Singaporean laws and international standards. Regulation 8 of the Securities and Futures (Corporate Governance of Approved Exchanges, Approved Clearing Houses, Licensed Trade Repositories and Approved Holding Companies) Regulations 2024 requires ICSG to have a Nominating Committee, a Remuneration Committee, a Risk Management Committee, an Audit Committee and a Conflicts Committee.</p> <p>The Nominating Committee is composed of at least five members of the Board. It identifies candidates, reviews nominations and considers resignations of each director, each member of any committee of the Board, and key persons such as the President & COO, Head of Regulation, Head of Risk and Head of Treasury and Finance.</p>



PRINCIPLE 2: GOVERNANCE

The Remuneration Committee is composed of at least three members of the Board. It is tasked with ensuring that ICSG maintains appropriate and suitable remuneration policies and procedures. The Remuneration Committee makes recommendations to the Board regarding the remuneration framework for directors and other officers.

The Audit Committee, which is composed of at least three members of the Board, is responsible for the adequacy of the external and internal audit functions, including reviewing the scope and results of internal and external audits.

The Conflicts Committee is composed of at least three members of the Board. It reviews the adequacy of arrangements within the ICE group for dealing with any perceived or actual conflicts of interest between ICSG's regulatory and commercial interests as well as the adequacy of its regulation department.

The Risk Management Committee is composed of at least three members of the Board and at least a majority of company directors who are non-executive directors (including the chairman of the Committee). Members of the Risk Management Committee are appointed by the Board. The Risk Management Committee, amongst other things, advises and makes recommendations to the Board with respect to the establishment and operation of a risk management system for managing risks on an enterprise-wide basis and the adequacy of the risk management function of ICSG.

Consistent with international practice, ICSG has also established a Risk Committee. The Board has established and will periodically review the terms of reference of the Risk Committee. The Risk Committee is comprised of representatives of ICSG, Clearing Members and other market participants, with no single group having a majority of representation. The Risk Committee, amongst other things, makes recommendations to the Board with respect to clearing membership requirements, margin parameter settings and sensitivity analysis, default management procedures, analysis of Guaranty Fund requirements, collateral management, AFI risk reviews, liquidity analysis, and stress scenarios.

Review of performance

On an annual basis the Board evaluates its performance and considers whether necessary skills are represented by the individuals who serve on the Board.



PRINCIPLE 2: GOVERNANCE

<p>4. The board should contain suitable members with the appropriate skills and incentives to fulfil its multiple roles. This typically requires the inclusion of non-executive board member(s).</p>	<p>Board membership in ICSG is determined by its shareholder. ICSG has three non-executive directors who are independent of the management and business of ICSG, provided that such directors also sit on the board of IFSG. Such directors do not have any management or business relationship or any financial interest in the ICE group other than being directors of ICSG, IFSG and its holding company. Such arrangements have been approved by the MAS.</p> <p>Directors are required to have appropriate skills and incentives to fulfil their responsibilities and need to meet fit and proper criteria. Independent non-executive directors receive a non-variable director’s remuneration. The Board reviews its overall performance on an annual basis.</p>
<p>5. The roles and responsibilities of management should be clearly specified.</p>	<p><i>Roles and responsibilities of management</i></p> <p>The President & COO supervises the business and affairs of ICSG, subject to the direction of the Board, and is responsible for implementing the decisions of the Board. The President & COO reports to the Board and the officers of ICSG are accountable to the President & COO.</p> <p><i>Experience, skills and integrity</i></p> <p>The Board appoints officers and, subject to the Articles of Association, prescribes the authority and duties to be performed by each officer. The Board is responsible for appointing officers, including President & COO, Head of Regulation, Head of Risk and Head of Treasury and Finance, and for ensuring that they have the appropriate experience, skills, and integrity necessary to discharge operational and risk management responsibilities. In addition, the Board is charged with ensuring that risk management and internal control personnel have sufficient authority, resources, and access to the Board so that ICSG will function in accordance with the risk management framework established by the Board.</p>
<p>6. The board should establish a clear, documented risk-management framework that includes the FMI’s risk-</p>	



PRINCIPLE 2: GOVERNANCE

tolerance policy, assigns responsibilities and accountability for risk decisions, and addresses decision making in crises and emergencies. Governance arrangements should ensure that the risk-management and internal control functions have sufficient authority, independence, resources, and access to the board.

Risk management framework

The Risk Management Committee has established a comprehensive risk management framework documented in the Enterprise Risk Management Policy and a suite of Clearing Risk specific policies.

Authority and independence of risk management and audit functions

The Head of Risk reports to the President and has direct access to the Board, Risk Management Committee and Risk Committee. Clearing risk management policies require Risk Committee approval, ensuring that risk decisions are subject to appropriate governance oversight.

The Enterprise Risk Management function operates as a second-line function with sufficient authority, independence, and resources to carry out its responsibilities effectively and has direct access to the Board and Risk Management Committee.

The Risk Committee operates independently of any direct influence by the management of the Clearing House. In the event that the commercial and competitive position of the Clearing House conflicts with the Risk Committee's responsibilities in respect of prudent risk management, the latter takes priority.

Internal audit provides third-line assurance and reports independently to the Board and Risk Management Committee.

The Risk Model Governance Framework ensures independent model validation, with the Model Sign-Off Committee providing governance over the approval of risk models, including the requirement for independent validation prior to model implementation.

7. The board should ensure that the FMI's design, rules, overall strategy, and major decisions reflect appropriately the legitimate interests of its direct and indirect participants and other relevant stakeholders. Major decisions should be clearly

Identification and consideration of stakeholder interests

ICSG's Board and management are accountable for the major decisions they take to: the shareholder; and to other relevant stakeholders, such as the various regulatory authorities who oversee its activities, Clearing Members and the market participants



PRINCIPLE 2: GOVERNANCE

disclosed to relevant stakeholders and, where there is a broad market impact, the public.

in respect of which it provides services. The Board includes independent non-executive board members with a variety of complementary skills, product knowledge and industry experience, and ensures that Board, Clearing Member and other stakeholder interests are reflected. Other directors of the Board are drawn from the management of ICE, Inc.

The Risk Committee includes member and industry representatives and are responsible for recommending new, and changing market, counterparty, and liquidity risk related policies. It is principally an advisory committee. The Risk Committee receives, as appropriate, periodic reporting on risk related policy review results (including stress and back testing), summary exception reports (e.g. limit breaches) or any special report as requested by the committee.

Disclosure of major decisions

Non-confidential decisions of the Board will be clearly disclosed in a timely manner to Clearing Members, other relevant stakeholders, and to the MAS. Additionally, subject to confidentiality requirements, major decisions of the Board having a broad market impact will be disclosed to the public through circulars or press releases (made publicly available on the ICSG website). Further, ICSG will update the information disclosed on its website to reflect any such major decisions appropriately.



PRINCIPLE 3: FRAMEWORK FOR THE COMPREHENSIVE MANAGEMENT OF RISKS

Principle 3: Framework for the comprehensive management of risks

An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.

In reviewing this principle, an assessor should consider how the various risks, both borne by and posed by the FMI, relate to and interact with each other. As such, this principle should be reviewed holistically with the other principles.

1. An FMI should have risk-management policies, procedures, and systems that enable it to identify, measure, monitor, and manage the range of risks that arise in or are borne by the FMI. Risk-management frameworks should be subject to periodic review.

Risks that arise in or are borne by the FMI

ICSG has identified and categorised the following risks that arise in or are borne by the Clearing House:

- **Credit risk:** Counterparty credit risk from Clearing Member default, including current exposures (mark-to-market losses) and potential future exposures (estimated worst-case portfolio value changes over the liquidation horizon). Credit risk also arises from exposures to AFIs, investment counterparties, and concentration bank arrangements;
- **Market risk:** Risk of adverse price movements affecting cleared positions and collateral values, including the risk that market movements exceed margin coverage during the close-out period;
- **Liquidity risk:** Risk of being unable to meet payment obligations in a timely manner, including obligations arising from the default of a Clearing Member, AFI, or investment counterparty. Liquidity risk encompasses same-day, intraday, and multiday settlement scenarios across all four settlement currencies (USD, SGD, CNH, EUR);
- **Operational risk:** As defined in the Operational Risk and Resilience Policy, the risk of an event occurring which negatively impacts the achievement of business objectives resulting from inadequate or failed internal operational controls, people, systems, or external events. The operational risk framework encompasses technology and operational risks, regulatory compliance, business continuity, third-party risk management, and ICT including cybersecurity;

PRINCIPLE 3: FRAMEWORK FOR THE COMPREHENSIVE MANAGEMENT OF RISKS

	<ul style="list-style-type: none"> • Business risk: Strategic and business model risk (including revenue concentration), cost risk, macroeconomic risk, and regulatory evolution risk; • Legal risk: Risk arising from the enforceability of the Rules, Procedures, and contracts in relevant jurisdictions, as well as the risk of adverse changes to the legal and regulatory framework; • Model risk: Risk of losses from decisions based on incorrect or misused model outputs, including margin models, stress testing models, and collateral haircut models. Model risk is managed under the Risk Model Governance Framework; and • Technology and cyber risk: Risk from IT systems, cybersecurity threats, and technology infrastructure, including the risk of data breaches, system unavailability, and technology obsolescence <p><i>Risk management policies, procedures and systems</i></p> <p>ICSG maintains a comprehensive suite of risk management policies that address each of the risk categories identified above.</p> <p>These policies are supported by risk model systems, monitoring tools for credit risk, reporting and dash board tools.</p> <p><i>Review of risk management policies, procedures and systems</i></p> <p>The risk management framework is subject to review regularly by the relevant governance committees, and the effectiveness of risk management policies and controls are reviewed by the internal audit on a regular basis:</p>
<p>2. An FMI should provide incentives to participants and, where relevant, their customers to manage and contain the risks they pose to the FMI.</p>	<p>ICSG provides the information to its Clearing Members and, where relevant, to their customers to enable them to manage and contain the risks they pose to the Clearing House. This information includes:</p> <ul style="list-style-type: none"> • ICE Risk Model (“IRM”) parameters and access to the methodology used via IRM; • Daily reporting of margin requirements and positions;



PRINCIPLE 3: FRAMEWORK FOR THE COMPREHENSIVE MANAGEMENT OF RISKS

- Results of stress testing and back testing; and
- Real time access to position via GUI and API as appropriate.

Clearing Members are further provided with tools and incentives to manage and contain the risks they pose to the Clearing House. For instance, Clearing Members can impose system limits on the exposure per client account, have access to working orders with the ability to withdraw and have insight in processed orders on a real-time basis. Clearing Members' contributions to the Guaranty Fund are based on the relative exposure they pose and, in case of a default auction, the order in which the Clearing Members' contribution is used will be dependent on the active participation and bidding behaviour of Clearing Members during the default auction.

ICSG requires Clearing Members to monitor and manage the risks they pose to the Clearing House. These requirements include:

- (i) Rules that require Clearing Members to maintain adequate risk management systems, which address the risks that such Clearing Members may pose and a requirement that Clearing Members make information and documents regarding their risk management policies, procedures, and practices available upon request;
- (ii) Rules that require Clearing Members to actively manage their positions and the ability of ICSG, should a Clearing Member fail to continue to meet membership criteria, to remove that Clearing Member from membership; and
- (iii) Rules that enable ICSG to impose risk mitigation measures, such as higher margin and Guaranty Fund requirements, on those Clearing Members who it considers pose a threat to its operations.

In addition, the Rules give ICSG powers to discipline and take corrective action against Clearing Members who fail to comply with the Rules and the CMA. In particular, the Rules set out the circumstances in which a Clearing Member may be suspended and states when ICSG will be entitled to terminate the membership. The Rules also set out the default rules which apply following a Clearing Member default, together with the disciplinary proceedings for Clearing Members who have breached the Rules.



PRINCIPLE 3: FRAMEWORK FOR THE COMPREHENSIVE MANAGEMENT OF RISKS

<p>3. An FMI should regularly review the material risks it bears from and poses to other entities (such as other FMIs, settlement banks, liquidity providers, and service providers) as a result of interdependencies and develop appropriate risk-management tools to address these risks.</p>	<p><i>Material risks</i></p> <p>ICSG has identified and reviewed material risks in connection with ICE Futures Singapore (which trades ICSG clears), ICE group entities providing technology, operations and other services to ICSG, approved financial institutions (“AFIs”) (which are ICSG’s settlement banks, and investment counterparties. The risk management tools used to address these risks include stress testing that considers default of clearing members, AFIs, investment counterparties, operational resilience frameworks, outsourcing policy, centration limits, diversification requirements and regular review of interdependency risk, with stress scenarios and the overall framework reviewed regularly.</p>
<p>4. An FMI should identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern and assess the effectiveness of a full range of options for recovery or orderly wind-down. An FMI should prepare appropriate plans for its recovery or orderly wind-down based on the results of that assessment. Where applicable, an FMI should also provide relevant authorities with the information needed for purposes of resolution planning.</p>	<p><i>Scenarios that may prevent an FMI from providing critical operations and services</i></p> <p>ICSG has identified scenarios that may potentially prevent it from providing its critical operations and services as a going concern, including:</p> <ul style="list-style-type: none"> ○ Default losses exceeding financial resources: Default of one or more Clearing Members exhausting available financial resources (margin, Guaranty Fund, ICSG’s own contribution and powers of assessment). Reverse stress testing identifies the point at which these resources would be exhausted; ○ Non-default losses: Operational losses, legal liabilities, investment losses, or other non-default losses exceeding capital reserves; ○ Major operational disruptions: Technology failure, cyber event, facility loss, or loss of key personnel preventing the continuation of critical clearing and settlement services; and ○ Multiple simultaneous events: Combined credit, market, liquidity, and operational stress affecting multiple aspects of ICSG’s operations simultaneously.

PRINCIPLE 3: FRAMEWORK FOR THE COMPREHENSIVE MANAGEMENT OF RISKS

Recovery and wind-down plans

ICSG maintains a range of tools and plans to support recovery or orderly wind-down:

- **Financial resources for default losses:** The default waterfall provides a structured sequence of resources — defaulter's margin and collateral, defaulter's Guaranty Fund contribution, ICSG's own contribution, non-defaulting members' Guaranty Fund contributions, and powers of assessment. Reverse stress testing identifies the extreme scenarios under which these resources would be exhausted, informing recovery planning;
- **Financial resources for non-default losses:** ICSG holds capital sufficient to cover at least six months of operating expenses, providing a buffer to absorb general business losses and to support an orderly wind-down of critical operations if necessary;
- **Business Continuity Plan and Disaster Recovery Plan:** Providing for the recovery of critical operations within defined Recovery Time Objectives and Recovery Point Objectives.
- **Crisis Management Plan:** Covering a range of scenarios, with defined escalation procedures and communication protocols;
- **Default Management Framework:** Providing structured processes for managing Clearing Member defaults, including hedging, auction, position transfer, and loss allocation; and
- **Powers under the Rules:** The Rules provide ICSG with broad powers to take actions necessary for the protection of the Clearing House and its Clearing Members, including the power to require additional Guaranty Fund contributions, impose assessments, and take other recovery actions.

ICSG provides MAS with information needed for supervisory and resolution planning purposes and maintains an ongoing dialogue with MAS regarding its recovery and wind-down arrangements.



PRINCIPLE 4: CREDIT RISK

Principle 4: Credit risk

An FMI should effectively measure, monitor, and manage its credit exposure to participants and those arising from its payment, clearing, and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence. In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two largest participants and their affiliates that would potentially cause the largest aggregate credit exposures to the CCP in extreme but plausible market conditions. All other CCPs should maintain, at a minimum, total financial resources sufficient to cover the default of the one participant and its affiliates that would potentially cause the largest aggregate credit exposures to the CCP in extreme but plausible market conditions.

Because of the extensive interactions between the financial risk management and financial resources principles, this principle should be reviewed in the context of Principle 5 on collateral, Principle 6 on margin and Principle 7 on liquidity risk, as appropriate. This principle should also be reviewed in the context of Principle 13 on participant default rules and procedures, Principle 23 on disclosure of rules, key procedures and market data, and other principles, as appropriate

1. An FMI should establish a robust framework to manage its credit exposures to its participants and the credit risks arising from its payment, clearing, and settlement processes. Credit exposure may arise from current exposures, potential future exposures, or both.

ICSG has established a robust credit risk management framework to manage its credit exposures to Clearing Members and the credit risks arising from its payment, clearing, and settlement processes. The framework is comprehensive and addresses both current exposures (mark-to-market gains and losses) and potential future exposures (the estimated worst-case change in portfolio value over the liquidation period).

The key components of ICSG's credit risk management framework are:

- Original margin;
- Variation margin;
- Guaranty Fund;
- Counterparty credit risk monitoring of Clearing Members;
- Concentration charges;
- Collateral management; and



PRINCIPLE 4: CREDIT RISK

	<ul style="list-style-type: none"> Investment and AFI credit risk management. <p>The framework is documented in a suite of policies including the Original Margin Requirements Policy, Guaranty Fund Policy, Counterparty Credit Risk Policy and Procedures, Capital-to-Margin Policy, Concentration Charge Policy, Wrong Way Risk Policy, Collateral Management Policy, Collateral Haircut Policy, and Investment Policy. The framework is reviewed regularly by the Risk Committee.</p>
<p>2. An FMI should identify sources of credit risk, routinely measure and monitor credit exposures, and use appropriate risk-management tools to control these risks.</p>	<p>Measurement and monitoring of credit exposures</p> <p>ICSG measures and monitors credit exposures through:</p> <ul style="list-style-type: none"> Daily mark-to-market: All cleared positions are valued daily using settlement prices from IFSG, and variation margin is collected to settle current exposures. This eliminates the build-up of mark-to-market gains and losses between settlement cycles; Real-time position monitoring: ECS and FEC provide real-time visibility of Clearing Member positions, exposures, margin requirements, and collateral. Intraday exposure monitoring: ICSG monitors intraday exposure changes and may make intraday margin calls when exposure thresholds are breached. Clearing Members are required to meet intraday calls within one hour of notification; CRS methodology: A structured Credit Rating System for assessing and monitoring Clearing Member creditworthiness, incorporating quantitative factors (financial ratios, capital adequacy, market indicators) and qualitative factors (management quality, regulatory standing, business model risk); Watch list process: The Watchlist highlights Clearing Members with a deteriorating credit score or with a special risk situation and allows for escalation where necessary. Capital-to-margin ratios: Daily monitoring of Clearing Members' capital adequacy relative to margin obligations, with defined thresholds Breaches of thresholds trigger enhanced monitoring and potential escalation;



PRINCIPLE 4: CREDIT RISK

	<ul style="list-style-type: none"> • Monthly and quarterly credit reviews: Comprehensive reviews of Clearing Member financial health, including analysis of financial statements, regulatory capital, credit ratings, and market intelligence; and • Daily stress testing: Assessment of potential credit losses arising from Clearing Member default under a range of extreme but plausible market scenarios (as described under Key Consideration 5 below). <p>Risk management tools</p> <p>ICSG employs a comprehensive set of risk management tools to control credit risk, including: original margin requirements, Guaranty Fund contributions, concentration charges, intraday margin calls, enhanced margin for watch-listed members, suspension of clearing privileges (Rule 208), termination of membership (Rule 209), and powers of assessment.</p>
<p>3. A payment system or SSS should cover its current and, where they exist, potential future exposures to each participant fully with a high degree of confidence using collateral and other equivalent financial resources (see Principle 5 on collateral). In the case of a DNS payment system or DNS SSS in which there is no settlement guarantee but where its participants face credit exposures arising from its payment, clearing, and settlement processes, such an FMI should maintain, at a minimum, sufficient resources to cover the exposures of the two participants and their affiliates that would create the largest aggregate credit exposure in the system.</p>	<p>N.A.</p>
<p>4. A CCP should cover its current and potential future exposures to each participant fully with a high degree of</p>	



PRINCIPLE 4: CREDIT RISK

confidence using margin and other prefunded financial resources (see Principle 5 on collateral and Principle 6 on margin). In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would potentially cause the largest aggregate credit exposure for the CCP in extreme but plausible market conditions. All other CCPs should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would potentially cause the largest aggregate credit exposure for the CCP in extreme but plausible market conditions. In all cases, a CCP should document its supporting rationale for, and should have appropriate governance arrangements relating to, the amount of total financial resources it maintains.

Coverage of current and potential future exposures to each participant

ICSG's financial resources to cover credit exposures comprise:

- **Original margin:** Collected from each Clearing Member, calibrated to a 99% single-tailed confidence level, covering potential future exposure over the relevant minimum period of risk ("MPOR"). The MPOR reflects the estimated time to close out or hedge a defaulting Clearing Member's portfolio, taking into account market liquidity and potential impact on prevailing market conditions;
- **Variation margin:** Collected daily (and intraday when warranted) to settle current exposures, eliminating the build-up of mark-to-market gains and losses;
- **Additional Margins:** Collected daily to cover concentration risk, stress loss charges or event risks.
- **Guaranty Fund:** A pre-funded mutualized financial resource, sized in accordance with the Cover-1 standard; and
- **ICSG's own contribution:** The Clearing House's own capital contribution to the default waterfall, comprising an initial contribution and subsequent contributions (with a separate digital currency contract contribution for digital asset defaults).

ICSG requires Clearing Members for their margin requirements to deposit highly liquid collateral with the Clearing House that has low credit, liquidity and market risk. Conservative haircuts are applied to collateral in order to further manage market risk.

The adequacy of margin requirements and Guaranty Fund size are tested and reviewed on a daily basis. Macro (Member portfolio level) and Micro (Product level) back-testing results are reported on a monthly basis to the Risk Committee.

Risk profile and systemic importance in multiple jurisdictions

ICSG is not involved in activities with a more-complex risk profile (such as clearing financial instruments that are characterised by discrete jump-to-default price changes or that are highly correlated with potential participant defaults). ICSG is not considered to be systemically important in any of the jurisdictions it operates in.

Additional financial resources

A mutualised Guaranty Fund covers in the event of a Clearing Member default and the margin held in respect of that Clearing Member proving to be insufficient to cover the subsequent cost of liquidating their position. ICSG sizes its total prefunded financial resources (margin plus Guaranty Fund) to cover, at a minimum, the default of the Clearing Member (and its affiliates) that would potentially cause the largest aggregate credit exposure, plus the exposures of the two financially weakest Clearing Members, in extreme but plausible market conditions.

The Guaranty Fund is reviewed quarterly to ensure continued adequacy. The quarterly review considers changes in Clearing Member composition, portfolio risk, and market conditions. The Risk Committee is provided with stress testing results and analysis in respect of any review of the Guaranty Fund methodology and adequacy.

As part of the default waterfall, ICSG has a contractual right to call for additional Guaranty Fund contributions from Clearing Members in the form of assessment rights. Assessment rights are limited to two times the Clearing Member’s Guaranty Fund requirement per default.

Supporting rationale and governance arrangements

The Cover-1 standard is documented in the Guaranty Fund Policy and the Stress Testing Policy. Governance arrangements include:

- Quarterly Guaranty Fund adequacy reviews by the Risk Committee, with results reported to the Board;
- Daily stress testing assessing the sufficiency of total financial resources under a range of extreme but plausible market scenarios;
- The Risk Committee's periodic review of stress testing results and analysis;
- Model Sign-Off Committee governance over changes to the Guaranty Fund sizing methodology; and
- Annual independent validation of the Guaranty Fund methodology under the Risk Model Governance Framework.



PRINCIPLE 4: CREDIT RISK

5. A CCP should determine the amount and regularly test the sufficiency of its total financial resources available in the event of a default or multiple defaults in extreme but plausible market conditions through rigorous stress testing. A CCP should have clear procedures to report the results of its stress tests to appropriate decision makers at the CCP and to use these results to evaluate the adequacy of and adjust its total financial resources. Stress tests should be performed daily using standard and predetermined parameters and assumptions. On at least a monthly basis, a CCP should perform a comprehensive and thorough analysis of stress testing scenarios, models, and underlying parameters and assumptions used to ensure they are appropriate for determining the CCP's required level of default protection in light of current and evolving market conditions. A CCP should perform this analysis of stress testing more frequently when the products cleared or markets served display high volatility, become less liquid, or when the size or concentration of positions held by a CCP's participants increases significantly. A full validation of a CCP's risk-management model should be performed at least annually.

Stress testing

ICSG performs daily stress testing to assess the sufficiency of its total financial resources. The stress testing programme, governed by the Stress Testing Policy, includes:

- Historical scenarios:** Based on observed historical extreme market moves in the markets cleared by ICSG, capturing the most severe price movements observed over the available data history. The aim being to replicate as accurately as possible the historic event that has been selected across the full range of cleared products and apply these stress-tests to contemporary positions;
- Theoretical scenarios:** Constructed to test specific risk factors and vulnerabilities, including scenarios targeting individual asset classes, correlated moves across multiple markets, and scenarios designed to test specific aspects of the margin model;
- Hypothetical scenarios:** Forward-looking scenarios reflecting plausible but not yet observed extreme conditions, designed to capture emerging risks not reflected in historical data. Deriving these scenarios involves both subjective judgment and imagination. It is important that these are exercised by persons with expert knowledge of the particular markets involved, including the factors that might drive extreme price changes in those markets.; and
- Reverse stress tests:** Identifying the scenarios under which ICSG's financial resources (margin, Guaranty Fund, own contribution, and powers of assessment) would be exhausted. Reverse stress testing informs recovery planning by identifying the extreme conditions under which the Clearing House's resources would be insufficient.

Stress test results are reported to senior management daily and to the Board, Risk Management Committee, and Risk Committee periodically (at least quarterly for the Risk Committee). Results are used to evaluate the adequacy of financial resources and to inform adjustments to the Guaranty Fund size, stress parameters, or stress scenarios.



PRINCIPLE 4: CREDIT RISK

	<p>Stress test results are reported to senior management daily and to the Board, Risk Management Committee, and Risk Committee periodically (at least quarterly for the Risk Committee). Results are used to evaluate the adequacy of financial resources and to inform adjustments to the Guaranty Fund size, stress parameters, or stress scenarios.</p> <p><i>Review and validation</i></p> <p>The stress testing programme is reviewed at least semi-annually, including comprehensive analysis of scenarios, models, and parameters. The review considers whether the scenarios remain relevant and sufficiently severe, whether new scenarios should be added to reflect changing market conditions, and whether the programme adequately captures the range of risks faced by ICSG.</p> <p>A full validation of the stress testing methodology is performed in accordance with the Risk Model Governance Framework, with the Model Sign-Off Committee providing governance oversight of material changes.</p>
<p>6. In conducting stress testing, a CCP should consider the effect of a wide range of relevant stress scenarios in terms of both defaulters' positions and possible price changes in liquidation periods. Scenarios should include relevant peak historic price volatilities, shifts in other market factors such as price determinants and yield curves, multiple defaults over various time horizons, simultaneous pressures in funding and asset markets, and a spectrum of forward-looking stress scenarios in a variety of extreme but plausible market conditions.</p>	<p>ICSG's stress scenarios are designed to cover a wide range of relevant conditions, including:</p> <ul style="list-style-type: none"> • Relevant peak historic price volatilities: Scenarios based on the most extreme historical price moves observed in the markets cleared by ICSG, including moves observed during periods of significant market stress; • Shifts in market factors: Scenarios incorporating changes in key price determinants, yield curves; • Multiple defaults: Scenarios considering the simultaneous default of more than one Clearing Member, including the default of the largest Clearing Member group together with the two financially weakest; • Simultaneous pressures in funding and asset markets: Combined credit, market, and liquidity stress scenarios where asset prices decline, market liquidity deteriorates, and funding markets are disrupted simultaneously; • Forward-looking scenarios: Hypothetical scenarios designed to capture emerging risks not reflected in historical data, including scenarios reflecting current geopolitical, macroeconomic, or market structure risks; and



PRINCIPLE 4: CREDIT RISK

	<p>The stress testing programme is designed to assess the adequacy of ICSG's financial resources under the Cover-1 standard in each of these scenario types, ensuring that total prefunded resources are sufficient to absorb losses from the largest single Clearing Member group default (plus the two financially weakest) under the most severe but plausible market conditions.</p> <p>ICSG supplements the analysis by conducting reverse stress testing, which examines the magnitude of market shifts required to exhaust the available financial resources.</p>
<p>7. An FMI should establish explicit rules and procedures that address fully any credit losses it may face as a result of any individual or combined default among its participants with respect to any of their obligations to the FMI. These rules and procedures should address how potentially uncovered credit losses would be allocated, including the repayment of any funds an FMI may borrow from liquidity providers. These rules and procedures should also indicate the FMI's process to replenish any financial resources that the FMI may employ during a stress event, so that the FMI can continue to operate in a safe and sound manner.</p>	<p><i>Allocation of credit losses - Default Waterfall</i></p> <p>ICSG's default waterfall, as set out in the Rules and Finance Procedures, establishes explicit rules and procedures for allocating credit losses arising from the default of one or more Clearing Members. Losses are allocated in the following sequence:</p> <ol style="list-style-type: none">1. Defaulting Clearing Member's margin and collateral: All margin, collateral, and other property of the defaulting Clearing Member held by ICSG is applied first to cover losses;2. Defaulting Clearing Member's Guaranty Fund contribution: The defaulting member's contribution to the Guaranty Fund is applied next;3. ICSG's own contribution: The Clearing House's own capital contribution to the default waterfall, comprising:<ol style="list-style-type: none">(i) a contribution currently fixed at USD3 million to meet a defaulting Clearing Member's losses in contracts where the underlying are digital assets;(ii) 25% of the Guaranty Fund, comprising two layers of 15% upfront and 10% after non-defaulting Clearing Members' contributions.4. Non-defaulting Clearing Members' Guaranty Fund contributions: Applied on a pro-rata basis across non-defaulting Clearing Members; and



PRINCIPLE 4: CREDIT RISK

5. **Powers of assessment:** Additional calls on non-defaulting Clearing Members, capped at an amount per Clearing Member per default event (up to two times the Clearing Member's Guaranty Fund contribution per default).

The default waterfall is clearly documented in the Rules and is publicly available on the ICE website, ensuring that all Clearing Members understand the loss allocation mechanism and their potential exposures.

Replenishment of financial resources

Following a default event that draws upon the Guaranty Fund, ICSG has explicit procedures for the replenishment of the Guaranty Fund, including the power to require additional contributions from non-defaulting Clearing Members within defined timeframes. The Guaranty Fund Policy sets out the replenishment process, timeline, and governance requirements. Clearing Members that are unable or unwilling to meet replenishment calls may be subject to suspension or termination in accordance with the Rules.



PRINCIPLE 5: COLLATERAL

Principle 5: Collateral

An FMI that requires collateral to manage its or its participants' credit exposure should accept collateral with low credit, liquidity, and market risks. An FMI should also set and enforce appropriately conservative haircuts and concentration limits.

Because of the extensive interactions between the financial risk management and financial resources principles, this principle should be reviewed in the context of Principle 4 on credit risk, Principle 6 on margin and Principle 7 on liquidity risk, as appropriate. This principle should also be reviewed in the context of Principle 14 on segregation and portability, Principle 16 on custody and investment risk, and other principles, as appropriate.

1. An FMI should generally limit the assets it (routinely) accepts as collateral to those with low credit, liquidity, and market risks.

The Collateral Management Policy sets out the arrangements by which ICSG considers the eligibility of assets as acceptable collateral.

ICSG accepts collateral with low credit, liquidity and market risks to manage its Clearing Member's credit exposure. ICSG takes into account the following broad general principles when accepting assets as collateral:

- (i) The asset must be able to be re-valued on a daily basis and quoted intraday by third-party financial market news information providers;
- (ii) Assets acceptable as collateral must be highly liquid with an active sale or repurchase agreement market with a diverse group of buyers and sellers or are secured instruments that are freely convertible into cash;
- (iii) The market for the asset should have sufficient price history to permit the ability to analyse the statistical returns of such assets;
- (iv) The asset must comply with all relevant legal and regulatory requirements, including in relation to enforceability of title-transfer arrangements in the relevant jurisdiction;



PRINCIPLE 5: COLLATERAL

(v) ICSG must have the operational framework and necessary technology in place to handle deposits, liquidation and return of the asset;

(vi) Cash collateral shall only be in currencies specified by ICSG;

(vii) Where the asset is a financial instrument, the following additional principles apply:

- a. Only “vanilla” forms of that instrument will be accepted. Instruments containing special features such as embedded optionality or perpetual bonds will not be accepted. Inflation indexed government bonds are accepted;
- b. Financial instruments issued by a Clearing Member, or any entity that is part of the same group as the Clearing Member, will not be accepted from that Clearing Member;
- c. Financial instruments issued by a CCP or any entity whose business involves providing services critical to the functioning of the Clearing House will not be acceptable (unless that entity is a central bank of issue of a currency in which the CCP has exposures); and
- d. The financial instrument must be of low credit risk.

(viii) Where market conditions dictate, the Clearing House is entitled to review and remove securities from the list of accepted collateral and vary the applicable haircuts at any time.

ICSG publishes the list of "**Permitted Cover**" (acceptable collateral) on its website. ICSG monitors collateral limits on a daily basis.

ICSG considers cases where acceptable collateral could pose wrong-way risk and may impose additional restriction in such cases. Clearing Members are not permitted (via rules and policy) to provide collateral referenced on themselves. Currently ICSG does not assess such wrong-way risk to be present.



PRINCIPLE 5: COLLATERAL

<p>2. An FMI should establish prudent valuation practices and develop haircuts that are regularly tested and take into account stressed market conditions.</p>	<p><i>Valuation practices</i></p> <p>ICSG revalues collateral daily using market prices obtained from independent third-party providers. As described in the Collateral Management Policy, price monitoring is conducted on a real-time or near-real-time basis using latest available market prices to detect material valuation changes that may require action between scheduled revaluations. Settlement prices from IFSG are used for cleared contracts, and third-party price feeds are used for collateral securities.</p> <p><i>Haircutting practices</i></p> <p>ICSG's Collateral Haircut Policy establishes a quantitative haircut methodology. Haircuts are calculated using a 99% and 99.9% confidence level for different horizon periods.</p> <p>Haircuts are back-tested daily. Where back-testing identifies breaches (i.e. actual collateral value declines exceed the haircut), the haircut methodology and parameters are reviewed for potential recalibration. Backtesting results are reported to the Risk Committee as part of its periodic review of risk model performance.</p>
<p>3. In order to reduce the need for procyclical adjustments, an FMI should establish stable and conservative haircuts that are calibrated to include periods of stressed market conditions, to the extent practicable and prudent.</p>	<p>ICSG's haircut methodology incorporates a dedicated Anti-Procyclicality ("APC") scale, embedded directly in the haircut model, to avoid disruptive or sudden large changes in collateral haircut requirements in response to changing market conditions. The APC scale is defined in the Collateral Haircut Policy as:</p> <ul style="list-style-type: none">❑ APC scale formula: The risk scale used to compute haircuts is the maximum of: (i) a minimum MAD floor, and (ii) a blend of 25% weight on the 250-day sample MAD (representing a stress-period component) and 75% weight on the EWMA MAD (representing recent market conditions). This weighting ensures that the stress-period volatility always contributes a floor to the haircut calculation, preventing haircuts from

	<p>declining excessively during benign periods, while the EWMA component maintains responsiveness to current conditions;</p> <ul style="list-style-type: none"> <input type="checkbox"/> Minimum MAD floor: A minimum MAD level is maintained to ensure appropriate scaling during periods of low price variability, eliminating model risk from a sudden change in the scale of volatility; <input type="checkbox"/> Minimum haircut floor: A 1% floor is applied to all non-cash collateral, preventing haircuts from falling to unsustainably low levels; <input type="checkbox"/> Long lookback period: From 1 March 2005 (where available), ensuring haircuts naturally incorporate multiple historical stress events and reducing the need for abrupt adjustments when new stress events occur;
<p>4. An FMI should avoid concentrated holdings of certain assets where this would significantly impair the ability to liquidate such assets quickly without significant adverse price effects.</p>	<p>ICSG's Collateral Management Policy establishes concentration limits at two levels:</p> <ul style="list-style-type: none"> • Absolute limits: Per collateral type and issuer, as set out in the Collateral Management Policy. The purpose of these limits is to minimise liquidity risk in the event that it is necessary to liquidate collateral. Absolute limits are set in the currency of the issue with reference to daily trading volumes; and • Relative limits: To ensure diversification across collateral types, issuers, and currencies, preventing over-reliance on any single issuer, asset class, or currency. <p>Concentration limits are monitored in real-time through the ECS system, which enforces hard limits by issuer and collateral type. Collateral deposits that would cause a breach of concentration limits are rejected by the system. Breaches of concentration limits (e.g. arising from market movements that change the relative value of holdings) trigger immediate remediation, including requests to Clearing Members to substitute collateral.</p>



PRINCIPLE 5: COLLATERAL

	<p>In order to reduce the operational burden of enforcing the relevant absolute and relative limits, the right to enforce the limit may be waived in such circumstances whereby doing so does not result in a material change in risk.</p> <p>The Collateral Management Policy is subject to a review at least annually.</p>
<p>5. An FMI that accepts cross-border collateral should mitigate the risks associated with its use and ensure that the collateral can be used in a timely manner.</p>	<p>Cross-border collateral has at least one of the following foreign attributes: (a) the currency of denomination, (b) the jurisdiction in which the assets are located, or (c) the jurisdiction where the issuer is established.</p> <p>With regard to the currency of nomination, ICSG applies cross currency haircuts where collateral is posted in a currency other than that of the margin liability.</p> <p>With regard to the jurisdiction in which the assets are located, all Permitted Cover needs to be held at a settlement bank or custodian based in Singapore.</p> <p>With regard to the jurisdiction where the issuer is established, ICSG does accept a range of foreign government bonds as collateral. ICSG has obtained an external legal opinion which relates to the enforceability of its taking collateral by way of title transfer arrangements and has also obtained an external legal opinion in connection with taking of collateral by way of pledges from certain Clearing Members from the United States.</p> <p>As at 31 December 2025, the only active permitted cover that can be provided without prior notification to ICSG is US Government Securities. For collateral types requiring prior approval from ICSG, the approval process ensures that legal, operational, and market risks are fully assessed before acceptance.</p>



PRINCIPLE 5: COLLATERAL

6. An FMI should use a collateral management system that is well-designed and operationally flexible.

Collateral management system design

The primary features of ECS, the collateral management system are:

- Real time update of positions;
- Overnight mark to market valuation;
- Hard limits on type and concentration of permitted collateral at ISIN level;
- Separate review and approval of collateral change requests initiated by participants; and
- Automatic confirmation checks that requests for changes in collateral will not result in exposures not having sufficient collateral to manage the financial risks that arise from the exposure.

The collateral management system is fully flexible to accommodate changes in acceptable collateral and also to changes in concentration limits both at the ISIN level.

As ICSG only accepts collateral to which it has full title, the collateral management system does not have specific features that facilitate tracking the reuse of collateral and the rights to the collateral.

Operational flexibility

The collateral management system is designed to be agnostic of volume even during periods of market stress. Members initiate requests to amend collateral. ICSG's systems take decisions to accept or reject changes (determined by the rules established to monitor acceptable collateral and concentration limits) with minimal manual intervention. Operations are staffed during publicised opening times.



PRINCIPLE 6: MARGIN

Principle 6: Margin

A CCP should cover its credit exposures to its participants for all products through an effective margin system that is risk-based and regularly reviewed.

Because of the extensive interactions between the financial risk management and financial resources principles, this principle should be reviewed in the context of Principle 4 on credit risk, Principle 5 on collateral and Principle 7 on liquidity risk, as appropriate. This principle should also be reviewed in the context of Principle 8 on settlement finality, Principle 17 on operational risk, and other principles, as appropriate.

1. A CCP should have a margin system that establishes margin levels commensurate with the risks and particular attributes of each product, portfolio, and market it serves.

Description of margin methodology

ICSG's margin system covers all cleared products, including energy, commodity, financial, and digital asset derivatives. The ICE Risk Model ("IRM") calculates original margin using product-specific parameters that reflect the risk characteristics and attributes of each product, portfolio, and market served by ICSG.

The key components of the margin calculation are:

- **Scanning range:** The estimated worst-case loss within the confidence interval and holding period for each product, reflecting the price volatility and liquidity characteristics of the instrument;
- **Inter-month spread charges:** Reflecting the risk of imperfect correlation between different contract months within the same product. Inter-month spread charges capture the risk that calendar spread positions may incur losses greater than would be predicted by scanning ranges alone;
- **Inter-commodity spread credits:** Where diversification benefits between correlated products can be demonstrated. Inter-commodity spread credits reflect the risk reduction from holding offsetting positions in correlated products; and
- **Strategy spread margin rates:** For specific spreading strategies (e.g. condors, butterflies) where the risk characteristics of the combined strategy differ from the sum of the individual leg risks.



PRINCIPLE 6: MARGIN

	<p>The margin methodology is documented in the Original Margin Requirements Policy and associated technical documentation.</p> <p><i>Credit exposures</i></p> <p>Original margin is designed to cover potential future exposure — the estimated worst-case change in portfolio value over the relevant minimum period of risk ("MPOR"), calibrated to a 99% single-tailed confidence level. Variation margin (mark-to-market) settles current exposure at least daily, eliminating the build-up of current exposures between settlement cycles. <i>Operational components</i></p> <p>ICSG enforces timely margin collection through defined payment deadlines in the Finance Procedures. The daily settlement cycle includes specified deadlines for original margin and variation margin payments. Failure to meet a margin call within the prescribed timeframe (including a 1-hour deadline for intraday calls) constitutes a potential Event of Default under the Rules. The APS processes margin payments through AFIs across four currencies (USD, SGD, CNH, EUR), using SWIFT messaging for payment instructions.</p>
<p>2. A CCP should have a reliable source of timely price data for its margin system. A CCP should also have procedures and sound valuation models for addressing circumstances in which pricing data are not readily available or reliable.</p>	<p><i>Sources of price data</i></p> <p>ICSG uses settlement prices from IFSG for all cleared contracts. Settlement prices are determined in accordance with IFSG's exchange rules and procedures, providing an independent and transparent source of pricing data. ICSG has the authority to override settlement prices where they do not reflect true market conditions (e.g. due to data errors, market disruptions, or illiquidity), ensuring the integrity of the margin calculation.</p> <p><i>Estimation of prices</i></p> <p>For new contracts or products without extensive price history, ICSG uses proxy data from similar products to calibrate margin parameters. The methodology for price estimation is documented and subject to the Risk Model Governance Framework,</p>



PRINCIPLE 6: MARGIN

	<p>ensuring that proxy approaches are reviewed, validated, and approved through appropriate governance channels including the Model Sign-Off Committee.</p>
<p>3. A CCP should adopt initial margin models and parameters that are risk-based and generate margin requirements sufficient to cover its potential future exposure to participants in the interval between the last margin collection and the close out of positions following a participant default. Initial margin should meet an established single-tailed confidence level of at least 99 percent with respect to the estimated distribution of future exposure. For a CCP that calculates margin at the portfolio level, this requirement applies to each portfolio’s distribution of future exposure. For a CCP that calculates margin at more-granular levels, such as at the sub portfolio level or by product, the requirement must be met for the corresponding distributions of future exposure. The model should (a) use a conservative estimate of the time horizons for the effective hedging or close out of the particular types of products cleared by the CCP (including in stressed market conditions), (b) have an appropriate method for measuring credit exposure that accounts for relevant product risk factors and portfolio effects across products, and (c) to the extent practicable and prudent, limit the need for destabilising, procyclical changes.</p>	<p><i>Initial margin model</i></p> <p>ICSG’s original margin is calculated using a combination of quantitative models within the ICE Risk Model. Three model configurations are available, with the specific configuration depending on the product:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Model I: Historical Simulation + Parametric VaR; <input type="checkbox"/> Model II: Filtered Historical Simulation + Historical Simulation; and <input type="checkbox"/> Model III: Historical Simulation + Parametric VaR + Filtered Historical Simulation. <p>In all cases, margin is calibrated to a 99% single-tailed confidence level, ensuring that the margin held is expected to cover the potential future exposure in at least 99% of historical observations.</p> <p><i>Margin model parameters</i></p> <ul style="list-style-type: none"> • Confidence level: 99% (single-tailed), as required by MAS and consistent with PFMI Principle 6; • MPOR (Minimum Period of Risk): Reflects the estimated time to close out or hedge a defaulting Clearing Member’s portfolio, taking into account market liquidity, position concentration, and potential impact on prevailing market conditions. The MPOR is set conservatively and is reviewed as part of the regular margin model review; • Historical data: As specified in the Original Margin Requirements Policy, parameters are calculated using discrete lookback windows (including 60, 250, and 525 business days of historical data for some models, and 500-day rolling lookback periods for others), with higher weight on recent observations to ensure that the model is responsive to changing market conditions while maintaining sufficient history to capture tail events;

- **Stressed period data:** Each model incorporates a stressed volatility component (described below under APC), ensuring that margin levels reflect historical tail risk; and

Anti-procyclicality ("APC") by margin model

Each margin model incorporates a dedicated APC component to limit the need for destabilising, procyclical changes. APC applies only to scanning margins.

Each margin model incorporates a dedicated APC component to limit the need for destabilising, procyclical changes. APC applies only to scanning margins. The APC mechanism differs by model:

- ❑ **Model I (Historical Simulation + Parametric VaR):** The scanning range is the maximum of seven sub-models, including three parametric VaR models (based on 60, 250, and 525-day standard deviations), three historical simulation models (based on 100, 250, and 525-day lookbacks), and a dedicated APC sub-model. The APC sub-model uses an anti-procyclical volatility (σ_{APC}), calculated as a weighted combination of the 250-day PVaR volatility (75%) and a stressed volatility (25%). The stressed volatility is based on each product's historical return series over a rolling one-year lookback period, selected on the basis of the benchmark contract for each product group. The stress period updates when a new record volatility is realised, subject to a 10% threshold to avoid frequent updates as a new volatile period emerges;
- ❑ **Model II (Filtered Historical Simulation):** The FHS model de-volatilises historical returns using EWMA volatility (with a lookback of at least 500 days) and re-volatilises using the latest APC volatility (σ_{APC}), calculated as a weighted combination of the EWMA volatility (75%) and a stressed volatility (25%). The stressed volatility is determined per energy group on a rolling one-year lookback basis, using the benchmark contract for that group; and
- ❑ **Model III (Historical Simulation + Parametric VaR + Filtered Historical Simulation):** The scanning range is the maximum of six sub-models, including parametric (250-day and 500-day), historical simulation, and FHS models. The APC mechanism uses a 10-year (2,500-day) equally weighted volatility to re-volatilise the de-volatilised FHS return series (with EWMA calculated over 2,700 days including a 200-day initialisation period, using a decay factor $\lambda = 0.97$). This long-term volatility



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	<p>anchor acts as a floor on margin requirements calibrated at the long-term average volatility, addressing procyclical effects that could arise from a rapid reversion of volatility from low levels to the long-term mean. Where less than 10 years of data is available, a proxy 10-year volatility from a similar product may be used.</p>
<p>4. A CCP should mark participant positions to market and collect variation margin at least daily to limit the build-up of current exposures. A CCP should have the authority and operational capacity to make intraday margin calls and payments, both scheduled and unscheduled, to participants.</p>	<p>ICSG marks or settles to market cleared positions or trades on a daily basis. Marking or settling to market results in either the collection and payment of profits and losses based on exchange settlement prices (variation margin) or based on mark to market values. Although settling or marking to market encompass different process both achieve the same outcome which is to ensure losses are properly accounted for and trades and positions are held at current market value.</p> <p>ICSG has an intraday margining system that considers updated prices and positions, enabling ICSG to make a combined price and size driven intraday margin call at any time during the day. The Intraday Margin Call Policy identify the various thresholds which if exceeded require specific actions and communication with Clearing Members, leading up to the making of an intraday margin call.</p> <p>Intraday margin call policy can be enforced under rule 503(c). Intraday Margin Calls must be paid within one hour of being issued.</p>
<p>5. In calculating margin requirements, a CCP may allow offsets or reductions in required margin across products that it clears or between products that it and another CCP clear, if the risk of one product is significantly and reliably correlated with the risk of the other product. Where two or more CCPs are authorised to offer cross-margining, they must have appropriate safeguards and harmonised overall risk-management systems.</p>	<p><i>Portfolio margining</i></p> <p>Inter-contract spread credit parameters are used to recognise that holding positions with opposite signs in two or more different contracts which are highly correlated is less risky than holding a directional position in only one of the contracts. The parameter itself is set as a percentage credit against the scanning range from the individual legs of the inter-commodity spread position. When deciding whether to provide risk offsets, ICSG takes into account the level of correlation. There also must be an economic rationale for provision of a risk offset.</p> <p>Inter-commodity spread credits are also set per tier, with the tiers defined as one or more inter-month tier. The spread credit is then applied between each of the inter-commodity tiers.</p>



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	<p><i>Cross-margining</i></p> <p>There is no cross-margining between ICSG and any other CCP.</p> <p><i>Robustness of methodologies</i></p> <p>On a daily basis, the backtesting regime provides feedback on the performance of the margin model, including portfolio offsets provided. The goal is to monitor the model by evaluating the number of actual losses against the number of predicted losses to identify exceptions. The total number of exceptions is evaluated against the desired risk quantile and the model is considered well calibrated if the number of exceptions is consistent with the risk quantile. If the model calibration consistently demonstrates exceptions outside of the quantile, ICSG will review the models and recommend revisions to Risk Committee for their review, and thereafter the Board.</p>
<p>6. A CCP should analyse and monitor its model performance and overall margin coverage by conducting rigorous daily backtesting and at least monthly, and more-frequent where appropriate, sensitivity analysis. A CCP should regularly conduct an assessment of the theoretical and empirical properties of its margin model for all products it clears. In conducting sensitivity analysis of the model's coverage, a CCP should take into account a wide range of parameters and assumptions that reflect possible market conditions, including the most-volatile periods that have been experienced by the markets it serves and extreme changes in the correlations between prices.</p>	<p><i>Backtesting</i></p> <p>ICSG's Backtesting Policy establishes a rigorous daily backtesting regime comprising:</p> <ul style="list-style-type: none"> • Portfolio-level (Macro) backtesting: Compares actual portfolio-level profit and loss against margin held, on a daily basis, for each Clearing Member. This assesses whether the total margin held for each member is sufficient to cover actual losses; • Parameter-level (Micro) backtesting: Compares individual product-level price movements against scanning range parameters, assessing whether individual margin parameters are appropriately calibrated; and <p>Exception monitoring: Exceptions (where realised losses exceed margin held) are monitored against the 99% confidence target. Backtesting results are reported to the Risk Committee periodically (at least quarterly).<i>Sensitivity analysis</i></p>

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	<p>Sensitivity analysis is conducted at least monthly, covering a range of parameters, assumptions, and market conditions, including:</p> <ul style="list-style-type: none"> • Changes to confidence levels; • Changes to lookback periods and EWMA lambda; <p><i>Margin model performance</i></p> <p>Where backtesting identifies potential shortcomings (e.g. exception rates exceeding expected levels), ICSG initiates a review of the affected parameters and may adjust margin requirements. Actions may include recalibrating scanning ranges, adjusting lookback periods, imposing additional margin charges, or modifying model parameters. Material changes are subject to governance approval through the Model Sign-Off Committee and, for Materiality A changes, the Risk Committee.</p>
<p>7. A CCP should regularly review and validate its margin system.</p>	<p>ICSG's margin system is subject to regular review and validation in accordance with the Risk Model Governance Framework:</p> <ul style="list-style-type: none"> • Independent model validation: Conducted at least annually by an independent validation function, assessing the theoretical soundness, empirical performance, and implementation correctness of the margin model. The independent validation considers whether the model assumptions remain appropriate, whether the model is performing as expected, and whether any enhancements are needed; • Model Sign-Off Committee: Reviews model changes and validation findings. • Ongoing monitoring: Daily backtesting and at least monthly sensitivity analysis provide continuous monitoring of model performance between formal validations; and • Annual review by Risk Committee: The Risk Committee is provided with backtesting, stress testing, and reverse stress testing results and analysis, enabling it to assess the overall performance and adequacy of the margin system.



PRINCIPLE 6: MARGIN

	<p>Material revisions to the margin methodology, including parameter changes, are subject to governance approval through the Model Sign-Off Committee and the Risk Committee as appropriate. Changes are communicated to Clearing Members through Circulars.</p>
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PRINCIPLE 7: LIQUIDITY RISK

Principle 7: Liquidity risk

An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.

Because of the extensive interactions between the financial risk management and financial resources principles, this principle should be reviewed in the context of Principle 4 on credit risk, Principle 5 on collateral and Principle 6 on margin, as appropriate. This principle should also be reviewed in the context of Principle 8 on settlement finality, Principle 13 on participant default rules and procedures, Principle 23 on disclosure of rules, key procedures and market data, and other principles, as appropriate.

1. An FMI should have a robust framework to manage its liquidity risks from its participants, settlement banks, nostro agents, custodian banks, liquidity providers, and other entities.

ICSG manages its liquidity risk through its liquidity risk management framework and its investment policy.

The liquidity risk management framework is designed so that there is a high level of confidence in ICSG's ability to effect payment and settlement obligations in all relevant currencies as they fall due, including where appropriate intraday. It also includes the assessment of ICSG's potential future liquidity needs under a wide range of potential stress scenarios.

Liquidity stress tests are designed to assess and determine whether the Clearing House has sufficient resources to meet its liquidity needs, in stressed and in extreme but plausible situations. Liquidity stress tests are performed daily (for the previous days' positions). The default stress loss value is based on extreme scenarios.

Liquidity stress test scenarios include the liquidity needs of the Clearing House to facilitate the provision of its clearing services. The liquidity risk management framework addresses the liquidity needs stemming from relationships with any entity towards which the Clearing House has a liquidity exposure including, being:

- Clearing Members (liquidity risk: Holding and liquidation of clearing positions may incur losses (Variation Margin loss));
- AFIs (liquidity risk: no access to funds held on a ICSG account at the AFIs/ commercial banks);



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	<ul style="list-style-type: none"> • Investment Manager (liquidity risk: no access to funds invested in liquidity funds and redemption proceeds are not returned/ delayed); • Custodian banks (liquidity risk: The inability to transfer assets will delay liquidation of assets of defaulting members); and • Interdependencies (between the above parties) <p>The primary objectives of as set out in the investment policy are to:</p> <ul style="list-style-type: none"> • Safeguard the principal (safety); • Provide sufficient liquidity to meet all operational requirements (same day liquidity in Asia time zone); and • Obtain a reasonable rate of return (yield).
<p>2. An FMI should have effective operational and analytical tools to identify, measure, and monitor its settlement and funding flows on an ongoing and timely basis, including its use of intraday liquidity.</p>	<p>ICSG uses web based proprietary access tools to perform enquiry activities on its bank accounts and utilise SWIFT message confirmations to monitor payment status and derive cash balances during the day. Each morning the total and available cash position is established and Clearing Members must inform the Clearing House of their cash withdrawal requests by 12p.m. This allows ICSG to rebalance cash positions or carry out investment activities in accordance with its investment policy.</p>
<p>3. A payment system or SSS, including one employing a DNS mechanism, should maintain sufficient liquid resources in all relevant currencies to effect same-day settlement, and where appropriate intraday or multiday settlement, of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its</p>	<p>N.A.</p>



PRINCIPLE 7: LIQUIDITY RISK

<p>affiliates that would generate the largest aggregate payment obligation in extreme but plausible market conditions.</p>	
<p>4. A CCP should maintain sufficient liquid resources in all relevant currencies to settle securities-related payments, make required variation margin payments, and meet other payment obligations on time with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate payment obligation to the CCP in extreme but plausible market conditions. In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should consider maintaining additional liquidity resources sufficient to cover a wider range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would generate the largest aggregate payment obligation to the CCP in extreme but plausible market conditions.</p>	<p><i>Sufficient liquid resources</i></p> <p>ICSG measures, monitors, and manages its liquidity requirements and resources through its liquidity risk management framework. This framework is designed to ensure that ICSG has sufficient liquid resources to meet all of its payment obligations with a high degree of confidence.</p> <p>ICSG's liquidity risk management framework includes daily stress testing of liquidity requirements to meet intra-day, same-day, and multi-day settlement obligations under extreme but plausible market conditions. Such stress scenarios are designed to ensure that the combination margin requirements, default fund contributions and other financial resources are sufficient to withstand the default of at least the Clearing Member (and its affiliates) to which the Clearing House has the largest aggregate credit exposures and the two financially weakest Clearing Members in extreme but plausible market conditions. Stress scenarios also include reverse stress tests to identify the extreme default scenarios and extreme market condition under which liquid resources would be insufficient.</p> <p>Size and availability of qualifying liquid resources to cover identified minimum liquid resource requirements in each currency to effect settlement of payment obligations, are monitored under the Liquidity Risk Management Framework. Stress tests results are reported to senior management daily and to the Board and Risk Committee on a monthly basis.</p> <p><i>Risk profile and systemic importance in multiple jurisdictions</i></p> <p>ICSG is not involved in activities with a more-complex risk profile (such as clearing financial instruments that are characterised by discrete jump-to-default price changes or that are highly correlated with potential participant defaults). ICSG is not considered to be systemically important in any of the jurisdictions it operates in.</p>



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<p>5. For the purpose of meeting its minimum liquid resource requirement, an FMI’s qualifying liquid resources in each currency include cash at the central bank of issue and at creditworthy commercial banks, committed lines of credit, committed foreign exchange swaps, and committed repos, as well as highly marketable collateral held in custody and investments that are readily available and convertible into cash with prearranged and highly reliable funding arrangements, even in extreme but plausible market conditions. If an FMI has access to routine credit at the central bank of issue, the FMI may count such access as part of the minimum requirement to the extent it has collateral that is eligible for pledging to (or for conducting other appropriate forms of transactions with) the relevant central bank. All such resources should be available when needed.</p>	<p><i>Size and composition of qualifying liquid resources</i></p> <p>ICSG tests on a daily basis the sufficiency of its liquid resources. The liquidity stress test scenarios have been constructed so as to capture the main liquidity risks faced by the Clearing House. The actual amount of liquidity risk varies daily, in accordance with Clearing Members’ clearing positions, clearing events (such as deliveries) and investment counterparty positions.</p> <p><i>Availability and coverage of qualifying liquid resources</i></p> <p>Liquid resources include cash held at AFIs and liquidity funds, the Clearing House’s own funds and a committed loan facility.</p> <p>ICSG has access to established and reliable brokers to liquidate non-cash assets and can exchange cash into required currency through APS/ commercial banks. On that basis, ICSG expects to have the capability to convert non-cash assets into cash as well to convert cash into required currencies within the day.</p>
<p>6. An FMI may supplement its qualifying liquid resources with other forms of liquid resources. If the FMI does so, then these liquid resources should be in the form of assets that are likely to be saleable or acceptable as collateral for lines of credit, swaps, or repos on an ad hoc basis following a default, even if this cannot be reliably prearranged or guaranteed in extreme market conditions. Even if an FMI does not have access to routine central bank credit, it should still take account of what collateral is typically accepted by the</p>	<p><i>Size and composition of supplemental liquid resources</i></p> <p>Except for uncommitted intraday liquidity provided by settlement banks, ICSG has no supplemental liquid resources in place.</p> <p><i>Availability of supplemental liquid resources</i></p> <p>N.A.</p>



PRINCIPLE 7: LIQUIDITY RISK

<p>relevant central bank, as such assets may be more likely to be liquid in stressed circumstances. An FMI should not assume the availability of emergency central bank credit as a part of its liquidity plan.</p>	
<p>7. An FMI should obtain a high degree of confidence, through rigorous due diligence, that each provider of its minimum required qualifying liquid resources, whether a participant of the FMI or an external party, has sufficient information to understand and to manage its associated liquidity risks, and that it has the capacity to perform as required under its commitment. Where relevant to assessing a liquidity provider’s performance reliability with respect to a particular currency, a liquidity provider’s potential access to credit from the central bank of issue may be taken into account. An FMI should regularly test its procedures for accessing its liquid resources at a liquidity provider.</p>	<p><i>Use of liquidity providers</i></p> <p>ICSG’s primary source of liquidity is a direct consequence of the Investment Policy, whereby the current emphasis is on holding liquid resources with AFIs and liquidity funds. This ensures that the potential liquidity required as indicated through the liquidity stress test scenarios, is available on a day to day basis, even though it is not actually utilised by ICSG.</p> <p><i>Reliability of liquidity providers</i></p> <p>ICSG monitors the financial health and operational performance of the AFIs ICSG limits its exposure to a single institution by investing cash under management across multiple institutions.</p> <p>Procedures to access its liquid resources are tested on a periodic basis.</p>
<p>8. An FMI with access to central bank accounts, payment services, or securities services should use these services, where practical, to enhance its management of liquidity risk.</p>	<p>Although ICSG accepts Singapore Dollar in cash as well as Singapore Government Bonds as collateral, balances under management are insufficient to warrant a dedicated process with MAS as a central bank to manage associated liquidity risks.</p> <p>ICSG has no access to central bank accounts, payment services or security services for collateral denominated in other currencies.</p>



PRINCIPLE 7: LIQUIDITY RISK

9. An FMI should determine the amount and regularly test the sufficiency of its liquid resources through rigorous stress testing. An FMI should have clear procedures to report the results of its stress tests to appropriate decision makers at the FMI and to use these results to evaluate the adequacy of and adjust its liquidity risk-management framework. In conducting stress testing, an FMI should consider a wide range of relevant scenarios. Scenarios should include relevant peak historic price volatilities, shifts in other market factors such as price determinants and yield curves, multiple defaults over various time horizons, simultaneous pressures in funding and asset markets, and a spectrum of forward-looking stress scenarios in a variety of extreme but plausible market conditions. Scenarios should also take into account the design and operation of the FMI, include all entities that might pose material liquidity risks to the FMI (such as settlement banks, nostro agents, custodian banks, liquidity providers, and linked FMIs), and where appropriate, cover a multiday period. In all cases, an FMI should document its supporting rationale for, and should have appropriate governance arrangements relating to, the amount and form of total liquid resources it maintains.

Stress test programme

On a daily basis, ICSG conducts and evaluates the results of liquidity tests in order to determine liquidity requirements. It looks at the intra-day and end-of-day requirements under normal and extreme but plausible conditions. The liquidity risk management framework is designed to identify early warning signals of potential liquidity stress events. These signals are reported and escalated to the appropriate management level. Timely actions can be undertaken to mitigate the impact and/or likelihood of liquidity shortfall prior to an actual liquidity event. When required, ICSG adjusts the availability of its liquidity resources. Results of liquidity tests are circulated to senior management and to the Risk Committee on a periodic basis.

Stress test scenarios

When performing the analysis of the liquidity scenarios, ICSG considers the impact on AFIs, depositories, liquidity providers and other entities, and the impact any interlinkages between Clearing Members and other roles they may have. ICSG also considers multiday scenarios and the probability of multiple firm failures and contagion effect among Clearing Members when evaluating the stress scenarios for liquidity.

Review and validation

Annually, this Framework will be reviewed and revised by the Head of Treasury and Head of Risk (for reviewing of liquidity stress test scenarios). Recommendations for changes will be proposed to the Risk Committee for approval.



PRINCIPLE 7: LIQUIDITY RISK

10. An FMI should establish explicit rules and procedures that enable the FMI to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations on time following any individual or combined default among its participants. These rules and procedures should address unforeseen and potentially uncovered liquidity shortfalls and should aim to avoid unwinding, revoking, or delaying the same-day settlement of payment obligations. These rules and procedures should also indicate the FMI's process to replenish any liquidity resources it may employ during a stress event, so that it can continue to operate in a safe and sound manner.

Same day settlement

ICSG's Investment policy and liquidity risk management framework are designed so that the Clearing House holds an amount of cash (or short-term investments that are typically near cash) at least equivalent to its calculation of the potential stressed losses that could arise from the Clearing Member (and its affiliates) to which the Clearing House has the largest aggregate credit exposures and the two financially weakest Clearing Members.

In an extreme event, ICSG has the ability under Rule 502(g) to impose, amend or withdraw additional Margin requirements in respect of any Clearing Member at any time and at its discretion, which might be used to effectively retain collateral amounts that might otherwise be returned to Clearing Members as margin. Further, under Rule 110 (b) and 110(c) and the definition of "Failure to Pay", in certain circumstances, ICSG may extend timings in relation to submission of information or making payments when ICSG in its discretion considers that such extension is necessary or in the best interests of the Clearing House in certain circumstances. Any extension or waiver for any length of time longer than 3 Business Days must be approved by the Board.

Replenishment of liquidity resources

The Rules set out that Clearing Members must replenish Guaranty Fund contribution upon demand. The Rules do not specifically cater for the replenishment of other liquidity resources.



PRINCIPLE 8: SETTLEMENT FINALITY

Principle 8: Settlement finality

An FMI should provide clear and certain final settlement, at a minimum by the end of the value date. Where necessary or preferable, an FMI should provide final settlement intraday or in real time.

In reviewing this principle, it should be noted that this principle is not intended to eliminate failures to deliver in securities trades. The occurrence of non-systemic amounts of such failures, although potentially undesirable, should not by itself be interpreted as a failure to satisfy this principle. This principle should be reviewed in the context of Principle 9 on money settlements, Principle 20 on FMI links, and other principles, as appropriate.

1. An FMI's rules and procedures should clearly define the point at which settlement is final.

Point of settlement finality

Part 12 of ICSG's rules sets out the basis on which the settlement of a payment, transaction instruction or other obligation is final, irrevocable and unconditional.

The exact point of settlement finality under the Rules differs depending on the type of transfer order which is entered into the ICSG payment system (the "**Payment System**"). Broadly, the Payment System means the system operated by ICSG consisting of the formal arrangements between itself and Clearing Members. Such formal arrangements include the Rules and the Procedures and the standardised arrangements (including, among other things, the CMAs and other agreements involving ICSG, Clearing Members and AFIs) and related functionality for the effecting of transfer orders between ICSG and Clearing Members.

ICSG operates a Payment System whereby transfer orders are made through the APS account structure for the collection and payments of amounts due in respect of contracts or collateral. Such structure involves AFIs (through which payments between Clearing Members and ICSG are made. ICSG requires each Clearing Member to open one or more accounts with an AFI nominated for the purposes of making and receiving cash transfers in respect of amounts due in respect of that Clearing Member's proprietary account and one or more accounts with an AFI nominated for the purposes of making and receiving cash



PRINCIPLE 8: SETTLEMENT FINALITY

transfers in respect of amounts due in respect of that Clearing Member's customer account (each such account maintained with an AFI being a "Nominated Account").

In order to ensure that the provisions in the Rules on settlement finality are legally binding, the CMA requires each Clearing Member at all times to have in place a duly executed Third Party Authority Form in favour of each AFI used by it and in respect of (each of) its Nominated Account(s). Under the same provision ICSG is appointed as the Clearing Member's lawful attorney and agent, pursuant to which appointment ICSG may take any action as it in its discretion determines in connection with the Clearing Member's Nominated Account(s). The power of attorney and agency give ICSG the power to instruct AFIs to receive balance and transaction information, including account statements and transaction advice, from the AFIs in relation to the Nominated Account(s) at any time. Pursuant to the same provision, Clearing Members agree and acknowledge that the AFI will act upon any instructions received from the Clearing House in relation to the Nominated Account(s), notwithstanding that such instructions may result in an overdraft on any of the Nominated Account(s), without any further reference to, or authority from, that Clearing Member. Finally, Clearing Members will represent, warrant and acknowledge to ICSG that instructions given by ICSG in relation to the Nominated Account(s) shall be deemed to be, and may be treated by any AFI as, instructions given on behalf of the Clearing Member. This process is designed to ensure that all payments made by the AFI under ICSG's settlement finality rules will, immediately upon execution, be irrevocable and the AFI will not be able to reverse the payment from the ICSG account without receipt of authorisation from ICSG evidenced in writing.

ICSG has taken legal opinions on enforceability of its Rules in all relevant jurisdictions, including in connection with settlement finality.

Finality in case of links

N.A.



PRINCIPLE 8: SETTLEMENT FINALITY

<p>2. An FMI should complete final settlement no later than the end of the value date, and preferably intraday or in real time, to reduce settlement risk. An LVPS or SSS should consider adopting RTGS or multiple-batch processing during the settlement day.</p>	<p><i>Final settlement on the value date</i></p> <p>It is ICSG's practice through its rules and procedures to settle on value day or with same day settlement. Delivery positions are managed and monitored on an ongoing basis. Participants have access to relevant documented procedures. The capability of members to deliver is included within membership assessment processes.</p> <p><i>Intraday or real-time settlement</i></p> <p>ICSG provides real-time settlement. Confirmation of settlement is generated by the delivery system and communicated via an automated messaging system to the relevant member. There is no batch processing of settlement instructions during the settlement day.</p>
<p>3. An FMI should clearly define the point after which unsettled payments, transfer instructions, or other obligations may not be revoked by a participant.</p>	<p>The settlement finality of Payment Transfer Orders and Securities Transfer Orders is provided for under the Rules as follows:</p> <p>(i) Payment Transfer Orders become irrevocable and unconditional at the time when the AFI of the account from which payment is to be made sends a SWIFT confirmation message, other electronic message, fax, telephone or other message confirming that the relevant payment will be or has been made (subject to certain provisions for corrections of errors); and</p> <p>(ii) In respect of Securities Transfer Orders:</p> <ul style="list-style-type: none"> a) position transfer orders become irrevocable when the definitive record of the open contract position of the Clearing Member is updated as a result of a successful position transfer clearing run in the ICSG systems to reflect the transfer, assignment or novation of contracts which are given effect pursuant to such position transfer order; b) collateral transfer orders become irrevocable when either ICSG receives the non-cash collateral, or when any related securities transfer order becomes irrevocable; and c) IFSG Block Clearing Orders become irrevocable when ICSG becomes party to resulting contracts with Clearing Members.



PRINCIPLE 8: SETTLEMENT FINALITY

Moreover, the Rules limit the circumstances in which transfer orders may be amended or cancelled, such as manifest or proven error, the contract being void ab initio, or the transaction not being eligible for clearing or not accepted for clearing.

The process by which transfer orders are effected in ICSG's systems, in conjunction with the APS account structure, ensures that the point of settlement finality for contracts cleared on ICSG is clear and definite. The Rules clearly define the point where after which unsettled payments, transfer orders or other obligations may not be revoked by a Clearing Member. Further, confidence in the clearing function of ICSG is maintained because once settlement finality is achieved, transfer orders become irrevocable in the manner described above and are thus protected from general laws of insolvency, such that transfer orders can be seen to completion notwithstanding an insolvency of a Clearing Member.



PRINCIPLE 9: MONEY SETTLEMENTS

Principle 9: Money settlements

An FMI should conduct its money settlements in central bank money where practical and available. If central bank money is not used, an FMI should minimise and strictly control the credit and liquidity risk arising from the use of commercial bank money.

This principle should be reviewed in the context of Principle 8 on settlement finality, Principle 16 on custody and investment risks, and other principles, as appropriate.

1. An FMI should conduct its money settlements in central bank money, where practical and available, to avoid credit and liquidity risks.

ICSG uses the APS to transfer funds to and from Clearing Members. The APS consists of a number AFIs, which hold physical accounts for the Clearing Members and the Clearing House.

The APS supports the following currencies, covering the settlement and margining of all products for which ICSG offers clearing services: For Original Margin: Chinese Renminbi (CNH), U.S. Dollars (USD), Singapore Dollars (SGD) and Euros (EUR). For Variation Margin: U.S. Dollars (USD).

Clearing Members must complete the APS Mandate (Third Party Authority form) for each account/currency pair which authorises the Clearing House to issue direct debits for amounts due to it in accordance with the Rules.

Although ICSG accepts Singapore Dollar in cash as collateral, flows and balances under management are insufficient to warrant a dedicated process with MAS as a central bank for money settlements.

ICSG has no access to central bank money in other currencies.

2. If central bank money is not used, an FMI should conduct its money settlements using a settlement asset with little or no credit or liquidity risk.

ICSG uses the APS to transfer funds to and from Clearing Members. The APS consists of a number AFIs, which hold physical accounts for the Clearing Members and the Clearing House. An AFI should meet certain criteria including having an S&P short-term A-1 and long-term A rating or better (or the equivalent from other approved agencies as confirmed by the Clearing House).



PRINCIPLE 9: MONEY SETTLEMENTS

	<p>The financial institutions that ICSG uses for settlement are reputable organisations and are licenced and supervised by the MAS under the Banking Act 1970 of Singapore.</p>
<p>3. If an FMI settles in commercial bank money, it should monitor, manage, and limit its credit and liquidity risks arising from the commercial settlement banks. In particular, an FMI should establish and monitor adherence to strict criteria for its settlement banks that take account of, among other things, their regulation and supervision, creditworthiness, capitalisation, access to liquidity, and operational reliability. An FMI should also monitor and manage the concentration of credit and liquidity exposures to its commercial settlement banks.</p>	<p>ICSG monitors the financial health of the AFIs. ICSG also utilises an internal rating system to monitor and evaluate these institutions. The rating system is used to generate an internal rating for each institution, based on a combination of financial data, market data and an overall qualitative assessment of the AFI's financial condition and market standing. ICSG limits its exposure to a single institution by investing cash under management across multiple institutions.</p> <p>ICSG's liquidity risk management framework includes daily stress testing of liquidity requirements to meet intra-day, same-day, and multi-day settlement obligations under extreme but plausible market conditions. These stress tests include scenarios that assume failure of the largest settlement bank.</p>
<p>4. If an FMI conducts money settlements on its own books, it should minimise and strictly control its credit and liquidity risks.</p>	<p>The payment services agreements between ICSG and the APS banks state that funds transfers are final when effected and that confirmations are irrevocable. Once an MT910 SWIFT message has been given by the payment bank the payment bank will not be able to reverse the payment without authorisation from ICSG.</p> <p>For intraday instruction, as per the service agreement, the APS banks are obliged within 1 hour of the time of receipt of the instruction to make payment of the amount specified and send a SWIFT MT910 message in confirmation.</p> <p>Intraday finality is supported, once the payment instruction is sent it is effective once the confirmation is received. The transaction is final and cannot be reversed.</p>



PRINCIPLE 9: MONEY SETTLEMENTS

	<p>Under the current investment guidelines ICSG limits its exposure to single financial institution by investing cash under management across multiple AFIs and liquidity funds with credit rating at least one notch above that of AFIs yet retaining prompt access to the invested funds.</p>
<p>5. An FMI's legal agreements with any settlement banks should state clearly when transfers on the books of individual settlement banks are expected to occur, that transfers are to be final when effected, and that funds received should be transferable as soon as possible, at a minimum by the end of the day and ideally intraday, in order to enable the FMI and its participants to manage credit and liquidity risks.</p>	<p>ICSG's legal agreements with its AFIs and the Rules ensure that all settlements are final when effected. Pursuant to such legal agreements, settlement fund transfers are irrevocable and unconditional at the time when the AFI of the account from which payment is to be made sends a SWIFT confirmation message, other electronic message, fax, telephone or other message confirming that the relevant payment will be or has been made (subject to certain provisions for corrections of errors).</p>



PRINCIPLE 10: PHYSICAL DELIVERIES

Principle 10: Physical deliveries

An FMI should clearly state its obligations with respect to the delivery of physical instruments or commodities and should identify, monitor, and manage the risks associated with such physical deliveries.

This principle should be reviewed in the context of Principle 15 on general business risk, Principle 23 on disclosure of rules, key procedures and market data, and other principles, as appropriate.

1. An FMI's rules should clearly state its obligations with respect to the delivery of physical instruments or commodities.

ICSG ceased clearing a physically delivered currency contract in September 2025; accordingly, the text in this section relates to circumstances prior to that cessation. The Rules and the Delivery Procedures specifically clearly state obligations of ICSG and Clearing Members as well as the procedures involved with respect to physical deliveries.

Each Clearing Member who is a seller under a contract subject to delivery (the "**Seller**") and each Clearing Member that is a buyer to the same contract (the "**Buyer**") is required under the Rules to make such payments and deliveries and deliver such tenders, notices and invoices as are required pursuant to the Delivery Procedures and Rules. The Rules clearly provide that the passing on by ICSG of such tenders or such other documents shall not constitute acceptance by ICSG of such tenders or such documents if the Clearing Member to which ICSG passed on such tender or documents rejects the same where permitted to do so. In the event of such rejection, ICSG shall also be entitled to reject the tenders or other documents. Similarly, where a Clearing Member who is a Buyer under a contract rejects a deliverable delivered to it, ICSG as Buyer under the corresponding back-to-back contract shall be entitled, if to do so would be in accordance with the applicable contract terms, to take the same action as against the Seller under that contract and ICSG shall not be deemed to have accepted such delivery until the relevant Buyer has accepted delivery under the first contract.

Further, the Rules provide that ICSG may direct a Clearing Member who is a Seller to deliver the deliverable to another Clearing Member that is a Buyer. The Seller and the Buyer shall each be bound by any such direction. Delivery in accordance with any such direction shall be deemed to constitute delivery by the Seller to ICSG and from ICSG to the Buyer for the purposes of the contract



PRINCIPLE 10: PHYSICAL DELIVERIES

	<p>or contracts in question (but title shall not pass unless and until such time specified in the Delivery Procedures). All payments in relation to such contracts shall nonetheless be made only to and from ICSG by the Clearing Members concerned.</p>
<p>2. An FMI should identify, monitor, and manage the risks and costs associated with the storage and delivery of physical instruments or commodities.</p>	<p>ICSG identifies, monitors, and manages the risks and costs associated with the storage and delivery of physical instruments or commodities. Operational Risks associated with storage and delivery are identified and monitored through the Operational Risk Framework.</p> <p>Where it is possible that the buyer fails to deliver the goods, should ICSG not be able to fulfil the sellers' obligations, it has the possibility to force an Alternative Delivery Procedure (ADP) or cash settle the contracts in a process also known as Invoicing Back at a price determined by the appropriate Exchange or Clearing House panel.</p> <p>Wherever possible deliveries will be made through a Delivery Versus Payment (DvP) mechanism. Where this is not possible, ICSG will always debit the buyer (via a buyer security or an invoice) before the delivery takes place, it will also only credit the seller (via a delivery contingent credit or an invoice) once the delivery has taken place and ICSG was able to confirm it. Buyer security and delivery contingent credit are calculated by reference to the relevant Exchange Delivery Settlement Price (EDSP).</p> <p>Original Margin on the positions in delivery is held by ICSG until delivery is complete. In the event of a failed delivery, ICSG may call additional seller's security and/or buyer's security and collect further payments until delivery is made. Moreover, the Clearing House has the ability to pass on a Clearing Member any cost incurred as a result of the Clearing Member's failure to fulfil its delivery obligations.</p>



PRINCIPLE 12: EXCHANGE-OF-VALUE SETTLEMENT SYSTEMS

Principle 12: Exchange-of-value settlement systems

If an FMI settles transactions that involve the settlement of two linked obligations (for example, securities or foreign exchange transactions), it should eliminate principal risk by conditioning the final settlement of one obligation upon the final settlement of the other.

This principle should be reviewed in the context of Principle 4 on credit risk, Principle 7 on liquidity risk, Principle 8 on settlement finality, and other principles, as appropriate.

1. An FMI that is an exchange-of-value settlement system should eliminate principal risk by ensuring that the final settlement of one obligation occurs if and only if the final settlement of the linked obligation also occurs, regardless of whether the FMI settles on a gross or net basis and when finality occurs.

The Rules provide the legal and contractual basis for final settlement of relevant financial instruments and which together with risk management arrangements in place eliminate principal risk to ICSG.

Where a futures or options expiry results in a physical delivery, ICSG will always debit the buyer for the value of the goods to be delivered before the delivery takes place. Conversely the sellers will only be credited once ICSG has established unequivocally that the delivery has taken place. This method will apply in any situation where DvP is not available.

Where DvP is available, ICSG will always use this facility when settling deliveries.

ICSG settles contracts on a gross basis and the finality of settlements of linked obligations is simultaneous. ICSG does not currently rely on DvP or PVP service provided by another FMI.



PRINCIPLE 13: PARTICIPANT-DEFAULT RULES AND PROCEDURES

Principle 13: Participant-default rules and procedures

An FMI should have effective and clearly defined rules and procedures to manage a participant default. These rules and procedures should be designed to ensure that the FMI can take timely action to contain losses and liquidity pressures and continue to meet its obligations.

Because of the extensive interactions between the default management principles as they apply to CCPs, this principle needs to be reviewed in the context of Principle 14 on segregation and portability. This principle should also be reviewed in the context of Principle 4 on credit risk, Principle 7 on liquidity risk, Principle 23 on disclosure of rules, key procedures and market data, and other principles, as appropriate.

1. An FMI should have default rules and procedures that enable the FMI to continue to meet its obligations in the event of a participant default and that address the replenishment of resources following a default.

Participant default rules and procedures

The Rules contain detailed provisions on events of Clearing Member default and disciplinary proceedings which, are treated as 'default rules' with any actions taken by ICSG pursuant to such provisions being treated as 'default proceedings', in each case for the purposes of Part III of the SFA and the Securities and Futures (Clearing Facilities) Regulations 2013. The Rules are designed to ensure that ICSG can take timely action on an event of Clearing Member default to contain losses, manage liquidity pressures and to enable ICSG to continue to function as a clearing house.

The Rules provide significant latitude as to when a Clearing Member may be deemed to be subject to an event of default to ensure ICSG has sufficient freedom of action in order to protect itself, and the market, from potential systemic risk. For example, the circumstances in which ICSG may declare a Clearing Member default include a Clearing Member's failure to meet payment obligations to ICSG, a Clearing Member's insolvency or the insolvency of any of that Clearing Member's group companies and breach by the Clearing Member of the Rules or applicable law.

If an event of default has been declared, ICSG may immediately suspend or terminate the clearing membership and any other entitlements under the Rules of the Defaulter, take any action to close out the Defaulter's positions and take any other action as is necessary to control or reduce losses or liquidity pressures resulting from an event of default. The Rules provide ICSG with a certain level of discretion and flexibility in its implementation of the default rules, to enable it to adequately address each event of default separately



PRINCIPLE 13: PARTICIPANT-DEFAULT RULES AND PROCEDURES

and tailor any default proceedings to the particular financial emergency or Clearing Member default at issue. For example, if ICSG determines that the suspension or termination of a Defaulter's clearing membership would either not be in the best interests of ICSG or would be likely to adversely affect the operation of any market, it has discretion to temporarily postpone or not enforce such suspension or termination.

In the event that the Defaulter has customer-related positions, ICSG may transfer non defaulting customer positions from the Defaulter to one or more non-defaulting Clearing Members, to the extent permitted by law and in all cases subject to agreement from the receiving Clearing Member(s).

The Rules also expressly provide for the following on the occurrence of an event of default:

1. Delay of settlement deadlines where the Clearing House or its Board (in cases where certain longer delays are deemed required) has determined that doing so is necessary;
2. The manner in which the Clearing House may transfer positions in customer accounts of a Defaulter and the factors which it may consider in doing so, including any portability preferences stated to it by any customer of any Defaulter;
3. Actions which the Clearing House may immediately take upon the occurrence of an event of default, including suspension/termination of membership, service of various notices of default, among others; and
4. The range of remedies and mechanisms which are available to the Clearing House, including without limitation transfer of positions, termination of contracts and application of the Guaranty Fund.

The Rules clearly set out the roles, obligations and responsibilities of ICSG, the defaulter and non-defaulting members in connection with the above, as applicable.



PRINCIPLE 13: PARTICIPANT-DEFAULT RULES AND PROCEDURES

	<p><i>Use of financial resources</i></p> <p>ICSG collects margin on all open contract positions and other pre-funded financial resources from Clearing Members, including a Clearing Member's Guaranty Fund contribution, to protect ICSG from potential losses arising from events of default. Where necessary to cover losses from a Clearing Member default, ICSG's default resources will be used in the following order:</p> <ul style="list-style-type: none"> • Defaulter's Original Margin; • Defaulter's Guaranty Fund contribution; • Where the defaulter was party to contracts in products whose underlyings are digital -assets, the Digital Currency Contract ICSG Contribution (currently USD 3 million) for application solely against losses relating to such products; • ICSG's Initial Contribution to the Guaranty Fund (15% of Guaranty Fund); • Non-defaulting Clearing Member's Contribution; • ICSG's Secondary Contribution to the Guaranty Fund (10% of Guaranty Fund); and • Powers of Assessment (2x Guaranty Fund contributions) <p>The Rules require Clearing Members to make required replenishment on demand in the event that the Guaranty Fund is needed to resolve a Clearing Member default.</p>
<p>2. An FMI should be well prepared to implement its default rules and procedures, including any appropriate discretionary procedures provided for in its rules.</p>	<p>ICSG has a default management framework which sets out specific responsibilities with the regard to the default provisions set out in the Rules. It outlines the actions management will carry out in the event of a default.</p> <p>The default management framework maintains a measure of flexibility as it is intended to provide a structure and guidance to management. It is not designed to be prescriptive and recognises that the cause of insolvency and post-insolvency actions may vary depending on the prevailing circumstances which lead to the default rules being implemented.</p>



PRINCIPLE 13: PARTICIPANT-DEFAULT RULES AND PROCEDURES

	<p>The default management framework also addresses the need for coordination: the President & COO is responsible for ensuring all required notifications and, where relevant, information will be shared in order to assist in the orderly management of a default.</p> <p>The default management framework is tested and reviewed on an annual basis.</p>
<p>3. An FMI should publicly disclose key aspects of its default rules and procedures.</p>	<p>ICSG's default rules are included within Part 9 of the Rules and cover</p> <ul style="list-style-type: none"> • Events of default affecting Clearing Members; • Actions to be taken following declaration of a Clearing Member event of default; • Treatment of contracts following a Clearing Member event of default and hedging; • Transfer of contracts and margin on a Clearing Member event of default; • Termination and close out of contracts on a Clearing Member event of default; • Net sums payable; and • Administrative matters concerning an event of default <p>Additionally, ICSG has set out terms for default auctions which are available in the Default Auction Procedures of the Rules.</p> <p>The risk management section of the ICSG website contains descriptions of key aspects of default arrangements and the use of default auctions.</p>
<p>4. An FMI should involve its participants and other stakeholders in the testing and review of the FMI's default procedures, including any close-out procedures. Such testing and review should be conducted at least annually or following material</p>	<p>The default management framework is tested and reviewed on an annual basis.</p>



PRINCIPLE 13: PARTICIPANT-DEFAULT RULES AND PROCEDURES

changes to the rules and procedures to ensure that they are practical and effective.



PRINCIPLE 14: SEGREGATION AND PORTABILITY

Principle 14: Segregation and portability

A CCP should have rules and procedures that enable the segregation and portability of positions of a participant's customers and the collateral provided to the CCP with respect to those positions.

Because of the extensive interactions between the default management principles as they apply to CCPs, this principle should be reviewed in the context of Principle 13 on participant default rules. This principle should also be reviewed in the context of Principle 19 on tiered participation arrangements, Principle 23 on disclosure of rules, key procedures and market data, and other principles, as appropriate.

1. A CCP should, at a minimum, have segregation and portability arrangements that effectively protect a participant's customers' positions and related collateral from the default or insolvency of that participant. If the CCP additionally offers protection of such customer positions and collateral against the concurrent default of the participant and a fellow customer, the CCP should take steps to ensure that such protection is effective.

Customer protection from participant default

The Rules require a Clearing Member to segregate customer money and customer assets from a Clearing Member's own money and assets through the use of a customer account and a proprietary account. Any contract entered into by the Clearing Member must be designated and recorded in ICSG's books, promptly and accurately, as for a Clearing Member's proprietary account or for its customer account. No assets or positions relating to the Clearing Member's own account should be recorded in its customer account, enabling to distinguish the assets and positions in contracts held for the account of its customers from those held for its proprietary account.

The Rules provide that each Clearing Member is responsible for ensuring that its proprietary bank account and its customer bank account which is held at an AFI and nominated by the Clearing Member for the purposes of making and receiving cash transfers are linked appropriately to the relevant Clearing Member's proprietary account and its customer account respectively. Further, Clearing Members must ensure their own compliance with applicable laws relating to conduct of business, client money, segregation and use of client assets and segregation of customer transactions.

The Rules do not permit the Clearing House to aggregate, set off or apply any margin, surplus collateral or other surplus assets available to it in relation to a Defaulter's customer account to meet a shortfall on that Defaulter's proprietary account. However, to ensure the fullest possible protection of customer assets, the Clearing House will aggregate, set off or apply any margin,



PRINCIPLE 14: SEGREGATION AND PORTABILITY

surplus collateral or other surplus assets available in relation to a Defaulter's proprietary account to meet a shortfall on that Defaulter's customer account as set out in the Rules.

If any amounts are so aggregated, set off or applied, the net sum payable by the Clearing House in relation to the defaulting Clearing Member's proprietary account shall be reduced by the same amount as is so included within the net sum for its customer account. Where and to the extent that ICSG determines to apply proprietary account assets of a defaulting Clearing Member to its customer account, such amounts (together with any Guaranty Fund contributions or any amounts received by ICSG under a controller guarantee of a defaulting Clearing Member) must first be applied to reduce any losses on the customer account, which would otherwise have a net sum representing a shortfall or loss.

The Rules allow for the portability of contracts and margin on an event of Clearing Member default. In particular, as part of a Clearing Member's default proceedings, ICSG may: (i) arrange for a transfer, sale, assignment or novation of a Defaulter's contracts to another Clearing Member (such Clearing Member, a "**Transferee**"); or (ii) ICSG may also arrange for the termination of a Defaulter's contracts with ICSG (and any related contract between that Clearing Member and its customer on economic terms similar to the corresponding contract recorded in that Clearing Member's customer account, a "**Customer-Clearing Member Transaction**") and the entry into of replacement contracts between ICSG and a Transferee (by way of novation and amendment or otherwise) or between such customer and such Transferee, as applicable.

Upon such a transfer, in order to ensure the protection and segregation of any customer money and customer assets:

(i) Any related margin recorded in the relevant customer account may, at the discretion of ICSG, also be transferred from that customer account to the Transferee's customer account;

(ii) To the extent that any transfer of margin takes place, the Defaulter shall have no claim against ICSG or any Transferee for return of such margin and ICSG shall be released from any liability or obligation to return such margin (or any property in substitution thereof) to the Defaulter; and



PRINCIPLE 14: SEGREGATION AND PORTABILITY

(iii) As between the Transferee and ICSG, ICSG shall have all rights in relation to any margin transferred as if the same were margin transferred to ICSG directly from the Transferee.

There is a number of conditions that must be satisfied before contracts, Customer-Clearing Member Transactions and related assets can be ported to a Transferee. For example, porting must not result in a customer account being under-collateralised and porting must not be unlawful nor expose ICSG to liabilities or legal challenges. In addition, a consenting Transferee will need to have been found. In order for positions to be ported on an event of default, a customer needs to have appointed a replacement Transferee who is prepared to act as such. If no such Transferee is appointed or can be found, or the transferee that has been so nominated declines to become party to replacement contracts or Customer-Clearing Member Transactions, ICSG will terminate the contracts and Customer-Clearing Member Transactions, offsetting any resultant losses or combining any resultant gains against the collateral on the account. Transferees may not commit to accept contracts and Customer-Clearing Member Transactions until a default occurs and they can assess the risks arising on the exposures under contracts that they would accept. Transferees may have other conditions that they require to be met prior to porting, such as the posting of additional collateral, supply of "know your customer" documentation or execution of agreements.

Customer protection from participant and fellow customer default

Customer collateral posted by each Clearing Member is held segregated from the Clearing Member's own collateral. However, within the customer collateral account there is no segregation between the collateral of the Clearing Member's customers. Customer collateral as such therefore is not protected from the concurrent default of the Clearing Member and fellow customers.

Legal basis

ICSG has obtained external legal opinions relating to the enforceability of its CMA, Rules (including its portability rules) and the application of provisions in Singapore statutes which relate to settlement finality. Currently, ICSG does not have any remote or



PRINCIPLE 14: SEGREGATION AND PORTABILITY

	<p>foreign Clearing Members, but has obtained an opinion on the laws applicable to Clearing Members from the United States prior to the admission of such Clearing Members.</p>
<p>2. A CCP should employ an account structure that enables it readily to identify positions of a participant’s customers and to segregate related collateral. A CCP should maintain customer positions and collateral in individual customer accounts or in omnibus customer accounts.</p>	<p>Customer positions are kept in an omnibus client segregation account per Clearing Member. Customer collateral assets are held in a customer account per Clearing Member.</p> <p>Collateral assets as listed as Permitted Cover and subject to the limitations on the Permitted Cover may be used to meet Original Margin requirement and Guaranty Fund requirements.</p> <p>The Rules entitle ICSG at its discretion to rely on information provided to it by a Clearing Member or a customer, including as set out in any default portability preference expressed to it by a customer of the Clearing Member. ICSG is contractually entitled to request specific information of Clearing Members in respect of a customer in addition to receiving customer margining information on a regular basis. Positions recorded in the customer accounts are margined on a gross basis. In so far as (1) the default management tools of ICSG relating to a Clearing Member as a whole and (2) regulations and practices applying to Clearing Members which require them clearly to identify customer positions on their books and records each operate as intended, ICSG does not believe there is any fellow customer risk. For example, ICSG is permitted to apply margin relating to a Clearing Member’s proprietary position for the benefit of the Clearing Member’s customer account when calculating net sums payable on an event of default.</p>
<p>3. A CCP should structure its portability arrangements in a way that makes it highly likely that the positions and collateral of a defaulting participant’s customers will be transferred to one or more other participants.</p>	<p>The Rules allow for the portability of contracts and margin on an event of Clearing Member default. In particular, as part of a Clearing Member's default proceedings, ICSG may: (i) arrange for a transfer, sale, assignment or novation of a Defaulter's contracts to another Clearing Member (such Clearing Member, a "Transferee"); or (ii) ICSG may also arrange for the termination of a Defaulter's contracts with ICSG (and any related contract between that Clearing Member and its customer on economic terms similar to the corresponding contract recorded in that Clearing Member's customer account, a "Customer-Clearing</p>



PRINCIPLE 14: SEGREGATION AND PORTABILITY

Member Transaction") and the entry into of replacement contracts between ICSG and a Transferee (by way of novation and amendment or otherwise) or between such customer and such Transferee, as applicable.

Upon such a transfer, in order to ensure the protection and segregation of any customer money and customer assets:

(i) Any related margin recorded in the relevant customer account may, at the discretion of the Clearing House, also be transferred from that customer account to the Transferee's customer account;

(ii) To the extent that any transfer of margin takes place, the Defaulter shall have no claim against ICSG or any Transferee for return of such margin and ICSG shall be released from any liability or obligation to return such margin (or any property in substitution thereof) to the Defaulter; and

(iii) As between the Transferee and ICSG, the Clearing House shall have all rights in relation to any margin transferred as if the same were margin transferred to the Clearing House directly from the Transferee.

There is a number of conditions that must be satisfied before contracts, Customer-Clearing Member Transactions and related assets can be ported to a Transferee. For example, porting must not result in a customer account being under-collateralised and porting must not be unlawful nor expose ICSG to liabilities or legal challenges. In addition, a consenting Transferee will need to have been found. In order for positions to be ported on an event of default, a customer needs to have appointed a replacement Transferee who is prepared to act as such. If no such Transferee is appointed or can be found, or the Transferee that has been so nominated declines to become party to replacement contracts or Customer-Clearing Member Transactions, ICSG will terminate the contracts and Customer-Clearing Member Transactions, offsetting any resultant losses or combining any resultant gains against the collateral on the account. Transferees may not commit to accept contracts and Customer-Clearing Member Transactions until a default occurs and they can assess the risks arising on the exposures under contracts that they would accept. Transferees may have other conditions that they require to be met prior to porting, such as the posting of additional collateral, supply of "know your customer" documentation or execution of agreements.



PRINCIPLE 14: SEGREGATION AND PORTABILITY

4. A CCP should disclose its rules, policies, and procedures relating to the segregation and portability of a participant's customers' positions and related collateral. In particular, the CCP should disclose whether customer collateral is protected on an individual or omnibus basis. In addition, a CCP should disclose any constraints, such as legal or operational constraints, that may impair its ability to segregate or port a participant's customers' positions and related collateral.

The Rules (including rules and procedure relating to segregation and portability) are available on the ICSG website. The Rules clarify whether a participant's customer's collateral is protected.

We do not believe there are any constraints on ICSG's ability to segregate or port such positions based on the legal advice obtained by ICSG. We note that there are customary reservations relating to such legal advice as is typically included in such advice, but we do not believe they are material in this instance.



PRINCIPLE 15: GENERAL BUSINESS RISK

Principle 15: General business risk

An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.

This principle should be reviewed in the context of Principle 3 on the framework for the comprehensive management of risks, Principle 21 on efficiency and effectiveness, and other principles, as appropriate.

<p>1. An FMI should have robust management and control systems to identify, monitor, and manage general business risks, including losses from poor execution of business strategy, negative cash flows, or unexpected and excessively large operating expenses.</p>	<p>ICSG identifies monitors and manages its general business risks with a robust management and control systems through governance, financial statements and internal audit. The governance structures include monthly management reports, including financial statements, financial projections, risk reports and incident reports.</p>
<p>2. An FMI should hold liquid net assets funded by equity (such as common stock, disclosed reserves, or other retained earnings) so that it can continue operations and services as a going concern if it incurs general business losses. The amount of liquid net assets funded by equity an FMI should hold should be determined by its general business risk profile and the length of time required to achieve a recovery or orderly wind-down, as appropriate, of its critical operations and services if such action is taken.</p>	<p>ICSG holds sufficient liquid net assets, funded by equity, to ensure a recovery or orderly wind-down of critical operations and services at all times and has processes for replenishment should capital resources approach defined thresholds (which may involve board approvals where share issuances are involved). ICSG has assessed that an orderly wind-down of its business would take no longer than six months. Financial resources equal to six months of operating costs will be more than sufficient during wind-down, given the likely reduction in personnel expenses, marketing costs and volume-based expenditures.</p>



PRINCIPLE 15: GENERAL BUSINESS RISK

<p>3. An FMI should maintain a viable recovery or orderly wind-down plan and should hold sufficient liquid net assets funded by equity to implement this plan. At a minimum, an FMI should hold liquid net assets funded by equity equal to at least six months of current operating expenses. These assets are in addition to resources held to cover participant defaults or other risks covered under the financial resources principles. However, equity held under international risk-based capital standards can be included where relevant and appropriate to avoid duplicate capital requirements.</p>	<p><i>Recovery or orderly wind-down plan</i></p> <p>The Rules provide for recovery and wind-down following the insolvency of a Clearing Member, a business decision of ICSG to exit clearing services and the insolvency of ICSG.</p> <p>ICSG has determined that its liquid operating resources, maintained in order to have a feasible plan of action pursuant to Regulation 17 of the Securities and Futures (Clearing Facilities) Regulations 2013, are sufficient to support its operations during any recovery or wind-down process.</p> <p><i>Resources</i></p> <p>ICSG holds sufficient liquid net assets, funded by equity, to ensure a recovery or orderly wind-down of critical operations and services at all times. ICSG has assessed that an orderly wind-down of its business would take no longer than six months. These resources, together with the capital required to cover the general business risks, are separate and in addition to the resources ICSG commits to cover for default losses or resources for non-default losses resulting from investments.</p>
<p>4. Assets held to cover general business risk should be of high quality and sufficiently liquid in order to allow the FMI to meet its current and projected operating expenses under a range of scenarios, including in adverse market conditions.</p>	<p>ICSG's general business risk capital is held in liquid, high-quality assets consistent with the Investment Policy's emphasis on safety and liquidity. Investment objectives for ICSG's own capital follow the same priority order as for participant assets: safety first, liquidity second, yield third. This ensures that ICSG's capital reserves can be accessed promptly when needed.</p>
<p>5. An FMI should maintain a viable plan for raising additional equity should its equity fall close to or below the amount needed. This plan should be approved by the board of directors and updated regularly.</p>	<p>ICSG's approach to raising additional financial resources (including, where appropriate, capital) will depend on the circumstances. Accordingly, the options include exploring the following possibilities: direct funding from ICSG's parent; amending intercompany service agreements to provide economic relief and/or additional services; leveraging the resources of affiliated clearing house entities within the ICE, Inc. group; merging ICSG with another ICE, Inc. clearing house; offering shares</p>



PRINCIPLE 15: GENERAL BUSINESS RISK

	or an economic interest in ICSG; 'delisting' unprofitable products; transferring unprofitable products to another affiliated or unaffiliated clearing house; and selling ICSG.
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PRINCIPLE 16: CUSTODY AND INVESTMENT RISKS

Principle 16: Custody and investment risks

An FMI should safeguard its own and its participants' assets and minimise the risk of loss on and delay in access to these assets. An FMI's investments should be in instruments with minimal credit, market, and liquidity risks.

This principle should be reviewed in the context of Principle 4 on credit risk, Principle 5 on collateral, Principle 7 on liquidity risk, and other principles, as appropriate.

1. An FMI should hold its own and its participants' assets at supervised and regulated entities that have robust accounting practices, safekeeping procedures, and internal controls that fully protect these assets.

ICSG safeguards its own and its Clearing Members' assets through the use of AFIs that employ accounting practices, safekeeping procedures and internal controls that protect deposits. An AFI should meet certain criteria including having an S&P short-term A-1 and long-term A rating or better (or the equivalent from other approved agencies as confirmed by the Clearing House). The financial institutions that ICSG uses for custody should have an S&P short term rating of A-1 or better (or the equivalent from other approved agencies as confirmed by the Clearing House) and are reputable organisations and are licenced and supervised by the MAS under the Banking Act 1970 of Singapore.

ICSG monitors the financial health of the AFIs and custodians. ICSG also utilises an internal rating system to monitor and evaluate these institutions. The rating system is used to generate an internal rating for each institution, based on a combination of financial data, market data and an overall qualitative assessment of the AFI's financial condition and market standing. ICSG limits its exposure to a single institution by investing cash under management across multiple institutions.

2. An FMI should have prompt access to its assets and the assets provided by participants, when required.

ICSG has received external legal advice on the enforceability of its taking of collateral from participants by way of a title transfer arrangement (in respect of any Clearing Members other than CFTC-registered Futures Commission Merchants from the United States) and by way of a pledge (in respect of any Clearing Members that are CFTC-registered Futures Commission Merchants from the United States). These form the primary legal basis to support ICSG's enforcement of its interest and ownership in collateral provided to it by participants.



PRINCIPLE 16: CUSTODY AND INVESTMENT RISKS

	<p>Additionally, the SFA provides protection to ICSG and Clearing Member assets. Pursuant to section 81C of the SFA, the provision of market collateral and market charges under the Rules will not be considered invalid due to inconsistencies with insolvency law concerning the distribution of assets. This section of the SFA also prevents a court applying insolvency law from interfering with a wide range of actions taken under the Rules. With regard to insolvency proceedings commenced in a foreign jurisdiction, section 81L of the SFA states that a Singapore court will not recognise or give effect to a foreign order if that order is not permitted by the SFA.</p> <p>Although the default of a participant will not in and of itself hinder ICSG’s access to its assets (as collateral is held by way of title transfer arrangements or by way of a pledge, in each case as subject to adequate legal assurances), ICSG ensures that it has prompt access to its assets by establishing banking and custody arrangements which contain customary and prudent and explicitly documented provisions as to processing of instructions and the availability of services provided by such banks and custodians.</p>
<p>3. An FMI should evaluate and understand its exposures to its custodian banks, taking into account the full scope of its relationships with each.</p>	<p>ICSG monitors the financial health of the AFIs and custodians it uses. ICSG limits its exposure to a single institution by monitoring cash under management and investing it across multiple institutions.</p>
<p>4. An FMI’s investment strategy should be consistent with its overall risk-management strategy and fully disclosed to its participants, and investments should be secured by, or be claims on, high-quality obligors. These investments should allow for quick liquidation with little, if any, adverse price effect.</p>	<p><i>Investment strategy</i></p> <p>The primary objectives of the investment strategy is (in order of importance) to (1) safeguard the principal (safety); (2) provide sufficient liquidity to meet all operational requirements (same day liquidity in Asia time zone); and (3) obtain a reasonable rate of return (risk weighted yield).</p> <p>The investment policy is subject to approval by the Risk Committee. It is reviewed at least annually.</p>



PRINCIPLE 16: CUSTODY AND INVESTMENT RISKS

Under the current investment guidelines, ICSG limits its exposure to a single financial institution by investing cash under management across multiple AFIs liquidity funds with credit rating at least one notch above that of AFIs yet retaining prompt access to the invested funds.

Risk characteristics of investments

The exposure per AFI, liquidity funds (if applicable) and custodians (if applicable) is monitored and reported on a monthly basis. Under the investment policy the exposure to AFIs and liquidity funds is subject to limits to avoid concentration of credit risk.

ICSG does not invest in its own securities or those of its affiliates.

Besides liquidity being one of the primary objectives of the investment policy, the liquidity risk management framework is designed so that there is a high level of confidence in ICSG's ability to effect payment and settlement obligations in all relevant currencies as they fall due, including where appropriate intraday. It also includes the assessment of ICSG's potential future liquidity needs under a wide range of potential stress scenarios.



PRINCIPLE 17: OPERATIONAL RISK

Principle 17: Operational risk

An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.

This principle should be reviewed in the context of Principle 20 on FMI links, Principle 21 on efficiency and effectiveness, Principle 22 on communication standards and procedures, and other principles, as appropriate.

1. An FMI should establish a robust operational risk-management framework with appropriate systems, policies, procedures, and controls to identify, monitor, and manage operational risks.

ICSG's operational risk management framework is built on the ICE Enterprise Risk Management ("ERM") Policy, which establishes the overarching risk governance structure, and is implemented through the Operational Risk and Resilience Policy. The framework is supported by a suite of policies addressing specific operational risk domains. The ERM Policy contains the following core components that underpin ICSG's operational risk management: the Three Lines Model, risk assessment, Key Risk Performance Indicators, risk appetite and scenario analysis.

Operational Risk and Resilience Policy

The Operational Risk and Resilience Policy follows the Three Lines Model as described in the ERM Policy and provides the local implementation framework for ICSG, covering risk assessments, Key Risk Performance Indicator monitoring, incident management, and business continuity planning.

ICSG has other policies that govern the management of technology risk, establish the framework for evaluating risks associated with outsourcing arrangements, and provide a framework for incident identification, prioritisation, escalation, and resolution.



PRINCIPLE 17: OPERATIONAL RISK

<p>2. An FMI's board of directors should clearly define the roles and responsibilities for addressing operational risk and should endorse the FMI's operational risk management framework. Systems, operational policies, procedures, and controls should be reviewed, audited, and tested periodically and after significant changes.</p>	<p><i>Roles, responsibilities and framework</i></p> <p>At least annually, the RMC approves various policies, procedures and frameworks that constitute the risk management framework, to provide for the comprehensive management of all material risks to which ICSG is, or may be exposed, including risk-tolerance levels. These policies set out responsibilities for periodic and systematic identifying and assessing risks, reviewing risk responses and any associated reporting, as well as identifying potential crisis scenario and appropriate response plans. Per such policies, procedures and framework, the President & COO is responsible for all activities, including crisis management, implementing default rules and procedures, system safeguards, and recovery and wind-down plans.</p> <p><i>Review, audit and testing</i></p> <p>On an annual basis, ICSG prepares a self-assessment that includes a review of its systems, policies and procedures. Disaster recovery arrangements are tested at least once a year. Business continuity arrangements are tested at least once a year. ICSG participates and offers to its Clearing Members an opportunity to participate in an industry-wide Business Continuity test on an annual basis. Clearing Members did not participate in such test in 2025. Further, the systems, policies and procedures may be subject to internal and external audit. Audit activities are scoped and planned taking a risk-based approach.</p>
<p>3. An FMI should have clearly defined operational reliability objectives and should have policies in place that are designed to achieve those objectives.</p>	<p>ICSG has established operational reliability objectives. These objectives are set within the risk appetite framework and reported quarterly. Performance against objectives is monitored on an ongoing basis, with breaches triggering investigation and remedial action.</p>
<p>4. An FMI should ensure that it has scalable capacity adequate to handle increasing stress</p>	<p>ICSG's clearing systems are designed for scalability and resilience. ICSG monitors peak capacity utilisation as part of its operational risk framework, with capacity planning conducted regularly. The Board has set the risk appetite for peak capacity utilization. ICSG reports to the Board on this metric on a quarterly basis.</p>



PRINCIPLE 17: OPERATIONAL RISK

volumes and to achieve its service-level objectives.

5. An FMI should have comprehensive physical and information security policies that address all potential vulnerabilities and threats.

Physical security

ICSG utilises the parent company’s (ICE Inc.) physical security policy framework. This framework outlines governing guidelines for physical security measures deployed in ICE locations to ensure that employees have standardised, accountable and documented physical security operations, physical access controls.

Information security

ICSG has adopted ICE Inc.’s Cybersecurity Strategy (based on NIST Cybersecurity Framework) as a group-wide strategy designed to maintain the highest possible levels of confidentiality, integrity, availability, and performance for all systems of ICE Inc. and its subsidiaries. It sets out high level functions of managing cyber security including the development and implementation of safeguards and control activities to ensure the following:

- Governance of cyber risk at the group and subsidiary level
- Identification of cyber risks and threats
- Protection of ICE systems, information assets and infrastructure
- Detection of cyber incidents and events
- Response and recovery activities from a cyber security event

Physical security and information security are subjected to risk assessments and tests undertaken by both 2nd line (Enterprise Risk) and 3rd line (Internal Audit and independent external expert resources). A rigorous Service Organisation Control (SOC) Type 2 audit is performed annually to produce independent verification and testing of ICE controls.

PRINCIPLE 17: OPERATIONAL RISK

6. An FMI should have a business continuity plan that addresses events posing a significant risk of disrupting operations, including events that could cause a wide-scale or major disruption. The plan should incorporate the use of a secondary site and should be designed to ensure that critical information technology (IT) systems can resume operations within two hours following disruptive events. The plan should be designed to enable the FMI to complete settlement by the end of the day of the disruption, even in case of extreme circumstances. The FMI should regularly test these arrangements.

Objectives of business continuity plan

ICSG's Business Continuity Policy and Plan has the following objectives: (i) preserve the health and safety of staff; (ii) avoid confusion and reduce exposure to error during an interruption by providing an organised and consolidated approach to managing response, recovery and resolution activities; (iii) reduce the impact resulting from short-term business interruptions by providing appropriate responses for rapid recovery from unplanned incidents; and (iv) resume essential operations within two hours.

ICSG Disaster Recovery Plan has a recovery time objective of two hours and a recovery point objective of ten minutes.

Design of the business continuity plan

The Business Continuity Plan considers the following scenarios: (i) brief or prolonged unavailability of employee offices; (ii) brief or prolonged unavailability of primary computer systems; and (iii) unavailability of key staff. ICSG's scenario response includes remote work, cross-training personnel between geographically diverse locations, and alternate work locations in selected cities, which is sufficient to recover operations and resume daily processing, clearing, and settlement no later than two hours following a disruption (including in the event of a widescale or major disruption). The Business Continuity Plan also addresses the dissemination of information to staff, service providers, clients and regulators.

The Disaster Recovery Plan is based on a warm site strategy. The production and recovery sites are located in different states in the United States. The production site is replicated in all aspects of hardware, software, firewall, and network equipment at the recovery site. The recovery site will be a mirror image of the production site. Operating system, database and some application software will be up and running (in idle state) at the recovery location.

When a disaster occurs, the recovery site databases will be restored using the replicated transaction logs, the system and network will be tested and verified, DNS resolution will be modified, and the system will be made available to the customers.



PRINCIPLE 17: OPERATIONAL RISK

	<p><i>Alternative locations</i></p> <p>The business continuity plan incorporates the use of alternative locations in Singapore or ICE office locations in the United Kingdom or United States. If the alternative locations in Singapore would be unavailable as well, operations of critical tasks can be taken over from the ICE offices in the United Kingdom or United States.</p> <p>The business continuity plan may involve the alternative arrangements such as paper-based and fax procedures to allow the processing of time critical transactions if regular electronic communication is not available.</p> <p><i>Review and testing</i></p> <p>On an annual basis, ICSG prepares a self-assessment that includes a review of its systems, policies and procedures. Disaster recovery arrangements are tested at least once a year. Business continuity arrangements are tested at least twice a year. In relation to availability, ICSG monitors the outcomes of its Disaster Recovery and Business Continuity tests. The Board has set the risk appetite that there should be no unsuccessful Disaster Recovery or Business Continuity tests. ICSG reports to the Board on this metric on a quarterly basis.</p> <p>ICSG offers its Clearing Members an opportunity to participate in an industry-wide Business Continuity test on an annual basis. Clearing Members did not participate in such test in 2025. Further, the systems, policies and procedures may be subject to internal and external audit. Audit activities are scoped and planned taking a risk-based approach.</p>
<p>7. An FMI should identify, monitor, and manage the risks that key participants, other FMIs, and service and utility providers might pose to its operations. In addition, an FMI should identify, monitor, and manage the risks its operations might pose to other FMIs.</p>	<p><i>Risk to the FMI's own operations</i></p> <p>ICSG leverages the technology, operational centres and services that are also used to service other clearing houses within the ICE group. Leveraging the technology and operational centres brings efficiency benefits, allows ICSG to leverage the proven robustness of existing systems and procedures and commercially lowers the threshold for new members that are already familiar with the ICE set-up.</p> <p>Controls to mitigate the key risks of the associated material outsourcing are a combination of the following controls: (1) Service Level Agreements, where relevant captured in Key Performance Indicators subject to regular monitoring, (2) coordination and governance</p>



PRINCIPLE 17: OPERATIONAL RISK

mechanisms, (3) incident management procedures, (4) security and business continuity plan tests and (5) internal audit and inspection arrangements.

ICSG poses limited risks to other FMIs.



PRINCIPLE 18: ACCESS AND PARTICIPATION REQUIREMENTS

Principle 18: Access and participation requirements

An FMI should have objective, risk-based, and publicly disclosed criteria for participation, which permit fair and open access.

In reviewing this principle, it should be noted that FMIs are subject to the constraints of local laws and policies of the jurisdiction in which the FMI operates, and those laws may prohibit or require the inclusion of certain categories of financial institutions. This principle should be reviewed in the context of Principle 19 on tiered participation arrangements, Principle 21 on efficiency and effectiveness, and other principles, as appropriate.

1. An FMI should allow for fair and open access to its services, including by direct and, where relevant, indirect participants and other FMIs, based on reasonable risk-related participation requirements.

Participation criteria and requirements

The membership requirements of ICSG are designed to permit fair and open access, whilst protecting ICSG and its Clearing Members.

Membership requirements include, amongst other things:

- i. Holding sufficient capital;
- ii. Being party to a CMA;
- iii. Holding all necessary regulatory authorizations, licenses, permissions and approvals;
- iv. Itself, its directors, officers and other relevant persons being fit and proper as set out in the Rules;
- v. Having appropriate technical and operational systems and controls;
- vi. Having appropriate business continuity procedures;
- vii. Being able to meet margin requirements;
- viii. Having contributed to the Guaranty Fund as appropriate; and
- ix. Not being subject to insolvency or other event of default.

PRINCIPLE 18: ACCESS AND PARTICIPATION REQUIREMENTS

	<p>All Clearing Member must (if proposing to become a Clearing Members in relation to IFSG transactions) also be a member of IFSG. Additionally, Clearing Members must institute risk management controls and demonstrate the operational capability to handle customer business. All Clearing Members must establish banking arrangements with approved AFIs to facilitate payments to and from ICSG.</p>
<p>2. An FMI’s participation requirements should be justified in terms of the safety and efficiency of the FMI and the markets it serves, be tailored to and commensurate with the FMI’s specific risks, and be publicly disclosed. Subject to maintaining acceptable risk control standards, an FMI should endeavour to set requirements that have the least-restrictive impact on access that circumstances permit.</p>	<p><i>Justification and rationale of participation criteria</i></p> <p>The membership requirements of ICSG designed to permit fair and open access, whilst protecting ICSG and its Clearing Members. The membership requirements are the same for all applicants and include fitness criteria, financial standards, operational standards and appropriate registration qualifications with applicable statutory regulatory authorities.</p> <p><i>Least restrictive access</i></p> <p>Membership criteria are either risk based or a direct consequence of regulatory requirements. ICSG does not have a structural review process in place, but believes the criteria permit fair and open access, whilst protecting ICSG and its Clearing Members.</p> <p><i>Disclosure of criteria</i></p> <p>The membership requirements of ICSG are publicly disclosed in the Rules.</p>
<p>3. An FMI should monitor compliance with its participation requirements on an ongoing basis and have clearly defined and publicly disclosed procedures for facilitating the suspension and orderly exit of a participant that breaches, or no longer meets, the participation requirements.</p>	<p><i>Monitoring compliance</i></p> <p>ICSG applies a due diligence process to ensure that all applicants meet the required criteria and conducts on-going monitoring of Clearing Members. All Clearing Members are required to provide monthly financial statements on a timely basis. Furthermore, the Rules require Clearing Members to provide notice of significant financial, regulatory, and organisational events that could impact upon</p>



PRINCIPLE 18: ACCESS AND PARTICIPATION REQUIREMENTS

the financial or operational capacity of a Clearing Member. In addition, the Clearing House monitors the ongoing adherence of key membership criteria and reviews adherence to certain criteria in more detail as part of its inspection programme.

Suspension and orderly exit

Rule 208 sets out the circumstances under which a membership may be suspended. Rule 208(b) provides that suspension does not relieve the Clearing Member from its obligations under the Rules in order to ensure that such suspension does not in and of itself result in disorder to the Clearing House.

Rule 209(a) broadly describes the circumstances under which a clearing membership may be terminated by the Clearing House. In order to ensure that such termination does not result in a disorderly exit by the Clearing Member, Rule 209(e) sets out certain restrictions which will apply to a Clearing Member whose membership is due to be terminated, including restrictions on entry into new contracts and the requirement to replenish the Guaranty Fund under certain circumstances. Rule 209(f) also provides that certain obligations and rights survive the effectiveness of a termination in connection with events such as arbitrations, investigations and contingent liabilities. Additionally, Rule 209(j) emphasises that failure to effect an expeditious termination may result in assets of the terminating member continuing to be available for default management purposes, such as the application of its Guaranty Fund contributions.

In all cases, the rules relating to suspension and termination incentivise the members to conduct their activities in an orderly manner.

The Rules publicly set forth Clearing Member obligations and procedures for the suspension and orderly exit of a Clearing Member that breaches, or no longer meets, ICSG participation requirements.



PRINCIPLE 19: TIERED PARTICIPATION ARRANGEMENTS

Principle 19: Tiered participation arrangements

An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.

This principle should be reviewed in the context of Principle 14 on segregation and portability, Principle 18 on access and participation requirements, and other principles, as appropriate.

1. An FMI should ensure that its rules, procedures, and agreements allow it to gather basic information about indirect participation in order to identify, monitor, and manage any material risks to the FMI arising from such tiered participation arrangements.

Tiered participation arrangements

ICSG does not have any formal tiered participation arrangements.

However, the majority of Clearing Members provide access to clients who trade on the IFSG market. Such indirect participants rely on the clearing services provided by the Clearing Members (direct participants). On a daily basis, ICSG requires all Clearing Members to provide a breakdown of positions of each indirect client in each Customer Omnibus Account.

Risks to the FMI

ICSG's primary risk exposure is towards its Clearing Members, not their clients. Where a Clearing Member applies for clearing membership which includes the provision of services to clients, ICSG assesses the Clearing Member's capability to manage and deal with client risk.

Clearing Members are required to ensure that any documentation put in place with indirect clients is in line with the Rules.

2. An FMI should identify material dependencies between direct and indirect participants that might affect the FMI.

Given that the Clearing Member is wholly responsible to ICSG for any positions of indirect participants, ICSG monitors such positions as part of its overall review of its Clearing Members. This will include, inter alia, inclusion in its Counterparty Rating



PRINCIPLE 19: TIERED PARTICIPATION ARRANGEMENTS

	System, application of specific capital-to-margin ratios on the Customer Account and application of concentration charges (as appropriate) on the Customer Account.
3. An FMI should identify indirect participants responsible for a significant proportion of transactions processed by the FMI and indirect participants whose transaction volumes or values are large relative to the capacity of the direct participants through which they access the FMI in order to manage the risks arising from these transactions.	Both ICSG and IFSG, to which ICSG provides clearing services, monitor trading activity and positions of indirect clients through, inter alia, Large Trader Reports, Gross Customer Margin files and monitoring of positions ahead of physical delivery. Where appropriate, ICSG will require additional margin to be posted to cover concentrated or large client positions.
4. An FMI should regularly review risks arising from tiered participation arrangements and should take mitigating action when appropriate.	ICSG reviews risk posed by its direct participants and their indirect participants through its regular monitoring - including, inter alia, the Counterparty Rating System.



PRINCIPLE 20: FMI LINKS

Principle 20: FMI links

An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link-related risks.

In reviewing this principle, it should be noted that the questions apply only to FMIs that have established links with one or more other FMIs. Additionally, the term CSD generally refers to a CSD that also operates an SSS. The use of this broader definition for CSD in this principle mirrors market convention in the discussion of FMI links. This principle should be reviewed in the context of Principle 8 on settlement finality, Principle 11 on CSDs, Principle 17 on operational risk, and other principles, as appropriate.

1. Before entering into a link arrangement and on an ongoing basis once the link is established, an FMI should identify, monitor, and manage all potential sources of risk arising from the link arrangement. Link arrangements should be designed such that each FMI is able to observe the other principles in this report.

ICSG does not currently have any link arrangements in place.

2. A link should have a well-founded legal basis, in all relevant jurisdictions, that supports its design and provides adequate protection to the FMIs involved in the link.

ICSG does not currently have any link arrangements in place.



PRINCIPLE 21: EFFICIENCY AND EFFECTIVENESS

Principle 21: Efficiency and effectiveness

An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.

This principle should be reviewed in the context of Principle 17 on operational risk, Principle 18 on access and participation requirements, Principle 22 on communication procedures and standards, and other principles, as appropriate.

1. An FMI should be designed to meet the needs of its participants and the markets it serves, in particular, with regard to choice of a clearing and settlement arrangement; operating structure; scope of products cleared, settled, or recorded; and use of technology and procedures.

On a regular basis, ICSG staff meets with Clearing Members and other market participants to understand how to effectively and efficiently meet their needs. ICSG secures further input on the design of its clearing and settlement arrangements, its operating structure, its delivery system and technologies and its services and products through the industry representation in its Risk Committee. ICSG also solicits market feedback on rule changes through public consultation.

2. An FMI should have clearly defined goals and objectives that are measurable and achievable, such as in the areas of minimum service levels, risk-management expectations, and business priorities.

ICSG's objective is to provide a safe and efficient clearing facility.

In terms of the effectiveness of operations ICSG has stated objectives in terms of operational reliability, uptime, scalability, information security and business continuity.

ICSG monitors performance against these operational objectives on a quarterly basis in order to assure that these objectives are met.

In terms of the effectiveness of its clearing risk management capabilities, ICSG aims to cover 99% of its credit exposure through margin and have margin requirements plus Guaranty Fund such that the Clearing House can cover losses arising from the default of the one largest Clearing Member (and its affiliates) and the 2 financially weakest Clearing Members (and their affiliates)



PRINCIPLE 21: EFFICIENCY AND EFFECTIVENESS

	<p>simultaneously. ICSG back-tests its risk models and stress tests its arrangements on a daily basis. Backtest and stress test results are reported to the Risk Committee on a monthly basis.</p> <p>In terms of the effectiveness as a business, ICSG has an annual budget and multi-year forecasts that are specific-initiatives to grow and develop the business. ICSG monitors and reports on performance against budget and planned initiatives on a monthly basis.</p>
3. An FMI should have established mechanisms for the regular review of its efficiency and effectiveness.	ICSG monitors performance against its objectives on at least a monthly basis in order to assure that these objectives are met.



PRINCIPLE 22: COMMUNICATION PROCEDURES AND STANDARDS

Principle 22: Communication procedures and standards

An FMI should use, or at a minimum accommodate, relevant internationally accepted communication procedures and standards in order to facilitate efficient payment, clearing, settlement, and recording.

This principle should be reviewed in the context of Principle 17 on operational risk, Principle 21 on efficiency and effectiveness, and other principles, as appropriate.

1. An FMI should use, or at a minimum accommodate, internationally accepted communication procedures and standards.

Communication procedures

ICSG uses the widely accepted and internationally utilised Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**") for messaging of payment transactions.

Communication standards

ICSG utilises FIXML real-time trade feeds to communicate trade information. FIXML is an internationally recognised, industry-standard messaging protocol used by vendors to automate clearing transaction processing.



PRINCIPLE 23: DISCLOSURE OF RULES, KEY PROCEDURES, AND MARKET DATA

Principle 23: Disclosure of rules, key procedures, and market data

An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.

In reviewing this principle, information should be disclosed to the extent that it would not risk prejudicing the security and integrity of the FMI or divulging commercially sensitive information. This principle should be reviewed in the context of Principle 8 on settlement finality, Principle 13 on participant default rules and procedures, Principle 24 on the disclosure of market data by trade repositories, and other principles, as appropriate.

1. An FMI should adopt clear and comprehensive rules and procedures that are fully disclosed to participants. Relevant rules and key procedures should also be publicly disclosed.

Rules and procedures

Clearing Members have rights and obligations set out in the Clearing Rules and Procedures (the “Rules”) and a Clearing Member Agreement (“CMA”) and, where applicable, an additional addendum to the CMA. Every Clearing Member agrees to be contractually bound by the Rules as a result of becoming a Clearing Member. The Rules are clear and comprehensive and provide sufficient information to enable Clearing Members to have an accurate understanding of the risks, fees and other material costs they incur at ICSG. The Rules are publicly available on the ICSG website.

Disclosure

ICSG publishes summary information on risk management (including default management), membership, regulation, technology and treasury processes on its website. The website also contains a register of circulars published by the Clearing House. Circulars may contain further guidance to the Rules or operating procedures of the Clearing House as well as notification of changes to the Rules.

ICSG consults publicly on changes to its rules. Prior to filing any proposed rule change, and absent any emergency or other circumstance, ICSG may consult with its Risk Committee in relation to the proposed rule change where this affects its risk management framework. The Risk Committee is entitled to provide recommendations to the Board on risk-related matters



PRINCIPLE 23: DISCLOSURE OF RULES, KEY PROCEDURES, AND MARKET DATA

	<p>affected by any rule change. ICSG must file all changes to the Rules (together with details of the purpose of such rule change) with the MAS in accordance with Regulation 30 of the Securities and Futures (Clearing Facilities) Regulations 2013.</p>
<p>2. An FMI should disclose clear descriptions of the system’s design and operations, as well as the FMI’s and participants’ rights and obligations, so that participants can assess the risks they would incur by participating in the FMI.</p>	<p>The Rules clearly and comprehensively detail the rights and obligations of Clearing Members. The Rules also document the daily operation of ICSG as well as the operation of ICSG during non-routine, though foreseeable, events such as Clearing Member default. In addition, ICSG provides Clearing Members with policies and procedures that provide further detail regarding its design, operations and the various integrated systems used by ICSG.</p> <p>ICSG publishes summary information on risk management (including default management), membership, regulation, technology and treasury processes on its website. The website also contains a register of circulars published by the Clearing House. Circulars may contain further guidance to the Rules or operating procedures of the Clearing House as well as notification of changes to the Rules.</p>
<p>3. An FMI should provide all necessary and appropriate documentation and training to facilitate participants’ understanding of the FMI’s rules and procedures and the risks they face from participating in the FMI.</p>	<p>ICSG has a robust governance process for any changes to the Rules, which includes consultation with multiple stakeholders, public disclosure of all proposed changes and notification of material changes. ICSG provides the necessary and appropriate documentation and training to facilitate participants’ understanding of the Rules, systems and operating procedures. Additionally, ICSG offers support to its Clearing Members support through the ICE group’s full-service client services and support team that is available at all times.</p> <p>There is no specific evidence of the understanding of rules and procedures by the Clearing Member or of the risks they face by being a Clearing Member other than the absence of evidence of the contrary through consultation responses and major operational incidents.</p> <p>Where the Clearing House would identify such need for an increase in understanding it would engage with the relevant Clearing Member to conduct training.</p>



PRINCIPLE 23: DISCLOSURE OF RULES, KEY PROCEDURES, AND MARKET DATA

<p>4. An FMI should publicly disclose its fees at the level of individual services it offers as well as its policies on any available discounts. The FMI should provide clear descriptions of priced services for comparability purposes.</p>	<p>ICSG's fees are publicly available on its website and Clearing Members are notified of any changes to such fees by circular. The fees published are integrated exchange and clearing fees for IFSG and ICSG. To the extent that the Clearing House provides technology and communication services, it does not charge separate fees.</p>
<p>5. An FMI should complete regularly and disclose publicly responses to the CPSS-IOSCO Disclosure framework for financial market infrastructures. An FMI also should, at a minimum, disclose basic data on transaction volumes and values.</p>	<p>ICSG discloses its Disclosure Framework as at the date provided on the cover page. This Disclosure Framework is updated following material changes at ICSG and, at a minimum, every two years. Publicly disclosed information is available on the ICSG website. All publicly available information is provided in English.</p>