

General

1. What is Multi-Currency Share Financing about?

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

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

2. What are the benefits of this product?

With this product, you will enjoy:

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

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

- (b) better control of your FX exposure through depositing cash in any of the Multi Currencies; and
- (c) the option of utilizing the SF facilities in either the traded currency or SGD (i.e you can choose to incur interest on your debit balances in either the traded currency or SGD)
- (d) free live price feeds for Hong Kong & the United States markets when you trade via your MCSF account in the respective markets. This feature* will be available when you log on to your iOCBC account in the following month when you fulfill, among others, the following criteria:

For HK Market Live Price Feed:

- 3 HK market trades or more through your MCSF account in the previous month OR
- A total of 9 HK market trades or more through your MCSF account in the past 3 months.

For US Market Live Price Feed:

- 3 US market trades or more through your MCSF account in the previous month OR
- A total of 9 US market trades or more through your MCSF account in the past 3 months.

* Terms and Conditions Governing the Share Financing – US and HK Live Price Feed Feature apply.

Account opening

3. How can I open a Multi-Currency Share Financing account?

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

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

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

Making a transaction

4. When and how can I start trading in securities?

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

5. What are the settlement currency options available to me?

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

6. How much can I buy when I deposit cash or marginable securities as collateral in the SF account?

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

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

Cash as Collateral

Scenario 1

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

Assume FX rate : USD|SGD = 1.40

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

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

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

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

Marginable Securities as Collateral

Scenario 2

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

Assume FX rate : HKD|SGD = 0.20.

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

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

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

7. What is Single-Counter Limit (“SCL”)?

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

8. What is Price Cap Factor (“PCF”)?

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

9. How is margin valuation determined?

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

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

Scenario 3

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

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

Ledger
SGD Ledger: \$100,000 CR

USD Ledger: \$50,000 DR

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

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

Scenario 4 (A continuation from Scenario 3)

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

Ledger

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

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

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

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

= S\$342,175 / S\$242,175 = **141.3%**

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

10. How is Margin Call amount determined?

Scenario 5 (A continuation from Scenario 4)

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

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

Ledger (No change)

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

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

Collateral Value = (US\$50,000 x 1.5) + (HK\$1,425,000 x 0.2) = S\$ 360,000

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

Cash Top Up = Loan – (Collateral Value / 1.4) = 260,000 – (360,000 / 1.4)

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

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

Scenario 6 (A continuation from Scenario 5)

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

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

USD|SGD = 1.5

HKD|SGD = 0.2

Ledger

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

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

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

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

NOTES:

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

11. How do I fulfill my Margin Call?

Margin Call can be fulfilled in the following manner:

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

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

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

Summary table of currencies available for margin top-up

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

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

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

12. How can I transfer funds to my SF account?

For cash payment mode

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

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

For cheque payment mode

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

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

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

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

For telegraphic transfer (TT) payment mode

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

For Electronic Payment for Shares ("EPS")

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

13. Will I receive credit interest on my credit balance maintained in my SF account?

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

14. What type of counters can I buy under SF account?

You can buy almost all counters listed on the Singapore Exchange and selected counters listed on the stock exchange(s) of Malaysia, Hong Kong, United States of America and Australia. In all, you can choose from the widest list of about 1,500 listed securities.

15. Can I contra under SF account?

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

16. Can I use my CPF or SRS fund?

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

17. I have already made a purchase, where will the securities be kept?

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

18. If there is a corporate action e.g. dividend payout, which currency will be credited to my SF account?

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

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

19. Will there be any scenario whereby my securities or credit balances in the various currency ledgers are liquidated or converted to offset my debit balance in a different currency denomination without my instructions or my consent?

Yes. This may happen when you are not able to meet your Margin Call obligations and OSPL initiates a force-sell of your Collaterals on your behalf.

20. When can I withdraw securities or cash from the SF account?

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

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

Securities withdrawal

Scenario 7 (A continuation from Scenario 6)

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

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

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

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

Cash withdrawal

Scenario 8 (A continuation from Scenario 6)

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

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

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

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

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

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

Charges & Fees

21. What are the fees and charges applicable to this product¹ and payable by you?

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

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

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

22. What are the brokerage rates applicable to this product¹?

Singapore SGX²

Securities Trading in SGD	Broker Assisted	Internet	Other Transaction Charges
Minimum Commission	SGD 40	SGD 25	Clearing Fee (CDP imposed): 0.04%, subject to a maximum of SGD 600
Transaction Value			
≤ SGD 50,000	0.275%	0.275%	SGX Access Fee: 0.0075%
SGD 50,001 – SGD 100,000	0.275%	0.275%	
>SGD 100,000	0.20%	0.20%	

Other markets²

Charges applicable to OSPL Securities Trading Account shall apply.

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

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

Account Maintenance

23. Will I be receiving any statements from OSPL in relation to my Share Financing account?

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

Important Notes

Trading in securities can be very risky, and you may lose the principal amount invested. This is particularly so when you need to (i) make your own trading decisions; and (ii) ensure each trade is specifically suitable for you – the only basis for any trading through or with OCBC Securities Private Limited ("OSPL"). The availability of this product is subject to, amongst others, the deposit of margins in the form of acceptable collateral or instrument(s), whether by cash or such securities/instruments permissible under the prevailing applicable regulations in Singapore and in the OSPL Standard Trading Terms & Conditions. No representation or warranty whatsoever (including without limitation any representation or warranty as to accuracy, usefulness, adequacy, timeliness or completeness) in respect of any information (including without limitation any statement, figures, opinion, view or estimate) provided herein is given by OSPL and it should not be relied upon as such. OSPL does not undertake an obligation to update the information or to correct any inaccuracy that may become apparent at a later time. All information presented is subject to change without notice. OSPL shall not be responsible or liable for any loss or damage whatsoever arising directly/indirectly howsoever in connection with or as a result of any person acting on any information provided herein.