

## **Additional Information about Share Financing**

### **Share Financing Account**

OCBC Securities Share Financing allows you to maximize your purchasing power by pledging cash or marginable securities as collateral. To open a Share Financing account, you will need to pledge a minimum of S\$5,000 cash (SGD or foreign currency equivalent) or the equivalent in marginable securities.

Type of Collateral	Collateral Value (S\$ equivalent <sup>1</sup> )	Available Fund for Purchasing (S\$ equivalent <sup>1</sup> )	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

<sup>1</sup> Please note that margin valuations of non-SGD denominated Collateral and loans will be subjected to daily FX fluctuations.

You may transfer your marginable securities with Central Depository Pte. Ltd. (CDP) or other financial institutions to your Share Financing account. You may start trading after your securities are transferred to OCBC Securities Pte. Ltd (OSPL).

### **Marginable Securities**

Almost all securities quoted on the Singapore Exchange (include foreign currency denominated shares and warrants with more than 6 months to expiration date) and selected securities quoted on the stock exchanges of Malaysia, Hong Kong, United States of America and Australia are marginable. In all, you can choose from the widest list of more than 2,500 listed securities.

### **Multi-Currency Facility**

The 4 currencies available are SGD, HKD, USD & AUD (the “Multi-currencies”). This provides you with greater flexibility and helps manage your foreign exchange exposure.

### **Trading**

You can trade via our iOCBC platform, mobile trading platform or with your Trading Representative.

### **Trade Settlement Modes**

You can choose to settle your trades in the traded currencies (i.e. SGD, HKD, USD & AUD) or SGD. If the traded currency is other than the Multi-currencies available, settlement will be in SGD.

### **Corporate Action Events Proceeds**

The corporate action will be credited by default in traded currencies (i.e. SGD, HKD, USD & AUD).

### **Debit Balance Interest Accrual**

If there are insufficient funds in the settlement currency to settle your contracts, you will have to pay OSPL debit balance interest in the settlement currency. This is notwithstanding the fact that you may have sufficient funds in a currency other than the settlement currency. You may wish to give instructions to your Trading Representative to instruct a currency conversion from the currency in credit to offset the debit balance in the settlement currency.

### **Custodian Accounts**

Your SF account is linked to a designated sub-account maintained by OSPL with CDP. When you deposit or purchase securities listed in Singapore Exchange into 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.

**Single-Counter Limit (SCL)**

We set a limit on the number of shares we accept for financing purposes. This is known as the Single Counter Limit (SCL) and will be reviewed from time to time. For example, if the SCL for ABC shares is 100,000 and you bought or deposited 200,000 shares, only 100,000 shares will be taken into account when computing the total marginable value of shares in your margin portfolio. This will affect both the financing available to you as well as margin call requirements.

**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.

**Contra Trades**

Contra trades are not allowed in Share Financing. You will have to settle your outstanding buy and sell contracts by their respective settlement dates.

**Utilization of CPF or SRS funds**

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

**Payment Modes****Cash**

Only **SGD** cash payment can be made at our customer service counter. We are located at 18 Church Street #01-00 OCBC Centre South Singapore (049479).

**Cheque**

Cheques should be crossed and made payable to "OCBC Securities Private Limited". Your Share Financing account number and contact details should be indicated at the back of the cheque. The cheque may be mailed to us, or, presented at our customer service counter. Only **SGD and USD cheques** which are drawn from **Singapore-based banks** are acceptable.

**Telegraphic Transfer**

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

**EPS (Electronic Payment for shares)**

Alternatively, you may prefer to link your designated bank account to the Share Financing account. EPS facilitates the direct crediting 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.

**Un-utilized Funds**

Interest (if any) will be computed on a daily rest basis and credited at the end of the month. The credit interest rate is reviewed periodically and subject to changes.

**Statements**

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

**Margin Requirements**

**Margin % =  $\frac{\text{Collateral Value (SGD-equiv)}}{\text{Loan Amount (SGD-equiv)}} = 140\%$** <sup>2</sup>

### Margin Calls

If the margin percentage falls below 140%<sup>2</sup> you will face margin call. You will be requested to bring the margin percentage back to a minimum of 140%<sup>2</sup> within 2 days.

If the margin percentage falls below 130%<sup>2</sup>, you will be required to bring the margin percentage back to at least 140%<sup>2</sup> within the same day of notification. Otherwise, we will proceed to liquidate your marginable securities immediately to bring the margin percentage to at least 140%<sup>2</sup>.

<sup>2</sup> or such other percentage as may be prescribed by OSPL from time to time.

### Margin Call Fulfillment

Margin call can be fulfilled in the following manner:

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

(i) Please note that 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.

(ii) 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 S\$ equivalent.

(iii) 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 instruct a currency conversion.

(b) by depositing additional Marginable Securities equivalent to the Margin Call amount.

#### Summary of options available for margin top-up

	SGD	USD	HKD	AUD
Margin Top-up via TT	√	√	√	√
Margin Top-up via Cheques	√	√ <sup>3</sup>		
Margin Top-up via Cash	√			
Security Top-Up	√	√	√	√
Amount to liquidate the marginable securities	√	√	√	√
Offset loan in different currency <sup>4</sup>	√	√	√	√

<sup>3</sup> Only USD-denominated cheques drawn from Singapore-based banks are accepted. OSPL accepts USD cheques of up to only USD 30,000 and SGD cheques of up to only SGD 50,000 for immediate calls and from 3<sup>rd</sup> margin call onwards.

<sup>4</sup> Clients to give instructions to their Trading Representative to order a currency conversion to offset loans denominated in a different currency. The exchange rate applicable will be at prevailing FX rate at time of instruction.

**Charges and Fees<sup>5</sup>**

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 securities as collateral into OSPL	S\$10* per counter	Transfer fees levied by CDP, currently borne by OSPL.
Withdrawal of securities listed in SGX from OSPL into your direct CDP securities account	S\$10* per counter	Transfer fee is levied by CDP.
Withdrawal of securities listed in SGX from OSPL to other DA sub-account	S\$10* per 1,000 shares per counter	Capped at a maximum of S\$100* per counter
Withdrawal of securities listed in foreign markets from OSPL to other financial institutions	S\$50* per counter	
Cash Dividend Processing Fee	Waived	All markets
CDP Maintenance Fee	S\$15* (With Shareholdings) S\$2* (Without Shareholdings)	Maintenance fee is levied by CDP quarterly
Foreign Share Custody Fees	S\$2* per counter per month	Invoiced quarterly in arrears subject to a maximum of S\$200* per quarter (or maximum 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	
Telegraphic Transfer SGD i. to OCBC Bank ii. to 3 <sup>rd</sup> party banks  USD/HKD/AUD iii. to OCBC Bank iv. to 3 <sup>rd</sup> party banks	i. No charge ii. S\$20  iii. No charge iv. USD – US\$30 HKD – HK\$240 AUD – A\$35	

\*Charges are exclusive of prevailing Goods and Services Tax (GST).  
The current GST is at 7%.

## Brokerage Rate<sup>5</sup>

### Singapore SGX<sup>6</sup>

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

\* Except for trading in:

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

(Refer to <https://portal.iocbc.com/assets/pdf/ospl/ConsolidatedCommissionCharges.pdf> for more information)

### Other markets<sup>6</sup>

Charges applicable to OSPL Securities Trading Account shall apply.

<sup>5</sup> We reserve our rights to vary the commissions, fees, costs and charges at any time or from time to time.

<sup>6</sup> Charges are exclusive of prevailing Goods & Services Tax ("GST"). The current GST is at 7%.

### Important Notes

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

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

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