

CLEARSTREAM BANKING S.A.

SINGAPORE ADDENDUM

Risk Disclosures by Recognised Clearing House in Singapore

February 2025

Risk Disclosures pursuant to Conditions of Recognition Issued by the Monetary Authority of Singapore ("MAS")

The Risk Disclosures contained in this Addendum are provided only to Participants¹ of Clearstream Banking S.A. ("CBL") and only for the purposes of compliance with the Recognition Conditions issued by MAS on 10 February 2025 in Annex A of the letter of even date from MAS addressed to CBL. For completeness, this Addendum should be read in conjunction with the following disclosures (hereafter collectively the "Disclosure Documents"):

- (a) Pillar III Disclosure Report to fulfil the disclosure requirements detailed in Part 8 of the Capital Requirements Regulation (EU) No 575/2013 (CRR) as amended, inter alia, by Regulation (EU) 2019/876 (CRR II) and Article 53-6 of the Luxembourg Law of 5 April 1993 ("**Luxembourg Banking Act**"), at the legal entity level of CBL ("**Pillar III Disclosure Report**"), as amended, restated or supplemented from time to time and which is accessible at the following weblink: [Pillar III Disclosure Report \(clearstream.com\)](https://www.clearstream.com/Pillar-III-Disclosure-Report) ; and

- (b) Disclosure document required under Article 38 of Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories ("**CSDR**") which discloses the levels of protection associated with the different levels of segregation in respect of securities that participants hold with CBL ("**Art 38 Disclosure Document**") as amended, restated or supplemented from time to time) and which is accessible at the following weblink: <https://www.clearstream.com/resource/blob/2434196/842fbacf75e340b1e62e5a2254efb4f4/cbl-article-38-disclosure-document-data.pdf>

¹ "Participant" means:

- (a) a corporation incorporated in Singapore or which has a place of business in Singapore (note: for foreign-incorporated corporations operating in Singapore through a branch, this refers only to the part of the business that is operated through the branch in Singapore.);
- (b) an individual who is a Singapore citizen or resident in Singapore; and
- (c) any other person in Singapore,

for whom Clearstream (whether directly or indirectly) provides settlement of transactions for specified instruments that are securities.

For Participants not incorporated in Singapore but operate in Singapore through a branch, this refers only to the part of the business that is operated through the branch in Singapore.

Unless otherwise indicated or expressly defined in this Addendum, capitalised terms used in this Addendum which are also used in the relevant Disclosure Document shall have the meanings ascribed to them as the case may be, in the Disclosure Documents and/or in CBL's General Terms and Conditions ("**CBL GTCs**"), which sets out the rights and obligations of CBL vis-à-vis its Participants and is accessible at the following weblink :

<https://www.clearstream.com/clearstream-en/keydocuments-1-/icsd-1-/general-terms-and-conditions/general-terms-and-conditions-clearstream-banking-luxembourg-1276924> (as amended, restated or supplemented from time to time). The information in the Disclosure Document(s) is subject to change and is qualified by the provisions in the CBL GTCs.

This Addendum, its contents and any other documents referred to or incorporated by reference into this Addendum (including the Disclosure Documents) individually nor collectively *DO NOT* (and *are NOT INTENDED* in any way to) create any contractual relationships or legal obligations between CBL and any Participant (or any other person), nor do this Addendum, its contents or any other documents referred to or incorporated by reference into this Addendum (including the Disclosure Documents) constitute any form of advice (legal or otherwise) from or by CBL to any Participant (or any other person).

All Participants should separately seek and rely on independent legal, tax and financial advice before and during their participation on CBL or the utilisation of any settlement, custodial and/or related services offered by CBL.

1. Regulatory Status

CBL is a recognised clearing house under Section 51(2) of the Singapore Securities and Futures Act (Cap. 289) ("**SFA**"). CBL is authorised by MAS to operate a clearing facility for the settlement of specified instruments that are securities². A recognised clearing house may only provide clearing services to Participants that are not retail investors in Singapore.

CBL is a public limited liability company (société anonyme) incorporated and existing under Luxembourg law (registered with the trade and companies register of Luxembourg under registration number B 9248). Its Legal Entity Identifier is 5493000L514RA0SXJJ44.

CBL is an authorised central securities depository ("**CSD**") under Articles 16 and 54 of CSDR. Accordingly, it is subject to the supervision of the Commission de Surveillance du Secteur Financier ("**CSSF**") with regards to CBL's provision of its services. In addition, CBL, is the operator of a securities settlement system ("**SSS**") designated by the Central Bank of Luxembourg (Banque centrale du Luxembourg, "**BcL**"), and is also subject to the

² "Securities" has the meaning ascribed to it in the SFA.

oversight supervision of the BcL, in accordance with Article 109 of the Payment Services Law (as defined in the Section 3.1 of this document), transposing Article 10.1 of the Directive 2009/44/EC of the European Parliament and of the Council of 6 May 2009 amending Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems (SFD). It is primarily subject to and governed by the laws of Luxembourg and the European Union. For more information on CBL's regulatory status, please refer to publicly available information at the following weblink:

<https://edesk.apps.cssf.lu/search-entities/search?lng=fr/#iss=https%3A%2F%2Fedesk.apps.cssf.lu%2Fauth%2Frealms%2Ffr-public>

2. Rights and Remedies

The rights and remedies available to Participants accessing CBL, as stated in the GTCs and any other relevant governing documentation issued by CBL, will be governed by the laws of Luxembourg and the European Union, and these may differ from the rights and remedies available to Participants accessing approved clearing houses in Singapore, which are primarily regulated by MAS and governed by Singapore laws.

3. Segregation Models of CBL and Costs

Paragraph 4 of the Art 38 Disclosure Document provides a general overview of the two levels of segregation currently offered by CBL (the "**Segregation Options**"). The two levels of segregation offered by CBL are:

- omnibus client segregation or "**OCS**"; or
- individual client segregation or "**ICS**".

In order to carry out the custody and settlement of securities transactions, Participants can maintain a collective account at CBL, in which the securities holdings of multiple underlying clients of the Participant are booked together. This level of segregation corresponds to the omnibus client segregated account (OCS) as set out in the Article 38 (3) of CSDR. Alternatively, the CSD Participant may choose to set up separate deposit accounts at CBL to segregate the securities of its individual clients from the holdings of the Participant and of its other clients. This level of segregation corresponds to the individual client segregated account (ICS) as set out in the Article 38 (4) of CSDR. The Participant is required under CSDR to offer its clients the choice between OCS or ICS. Depending on the level of segregation chosen by the Participant, the costs associated may differ.

Assets are protected from insolvency and bankruptcy in OCS and ICS account models equally, with differences arising in levels of risk, operational complexity and overall cost base. The main legal implications of the respective levels of segregation and applicable insolvency law under Luxembourgish laws may differ from those of Singapore insolvency law. The Disclosure Documents do not provide any guidance on any restrictions or limitations which may arise from the applicable laws of the jurisdictions

in which the Participants are incorporated or registered, as Participants are expected to seek their own separate legal advice on this.

CBL's fees are published on CBL's website, which is accessible at [Fee schedule \(clearstream.com\)](http://clearstream.com)

4. Risks arising from CBL's Insolvency, and Differences in Taxation Laws, Foreign Exchange Rates and Time Zones between Luxembourg and Singapore

- As a Luxembourg licensed Clearing House, CBL is subject to the insolvency laws of Luxembourg and not Singapore. Hence, the effects of an insolvency on a Luxembourgish clearing house may differ from those of a Singapore clearing house. Paragraph 4 of the Art 38 Disclosure Document provides general information on the application of insolvency laws to the Segregation Options provided by CBL.
- Due to its statutory seat being in Luxembourg, CBL is subject to applicable domestic and European taxation laws and regulations which may lead to a different tax processing or treatment of transactions/payments in respect of the settlement and custody services performed by CBL when compared to those where clearing is performed through a Singapore clearing house.
- Given that the trades and products settled and custodised at CBL are denominated in various currencies, including currencies other than Singapore Dollars and may require collateral in the form of cash or securities denominated in currencies other than Singapore Dollars to be posted as margin, Participants are subject to foreign exchange movements and may incur foreign exchange translation losses.
- Given that trades settled and custodised at CBL are subject to business hours and settlement timelines that may differ from such business hours of Participants operating in Singapore, the time zone differences may also pose risks since Singapore business hours are at least 6 to 7 hours ahead of Luxembourg.

The above disclosures do not and are not meant to provide an exhaustive list of all the possible risks to Participants in relation to them contracting with CBL for its settlement and/or custody related services. Participants must therefore consult their own legal, tax and financial advisers in order to make their own informed assessment of risks arising from or relating to their participation on CBL.