

# AsiaNext Derivatives Trading Service Document

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In this context, AsiaNext draws the Members' attention to the AsiaNext Derivatives Trading Rules stipulating that the Member is responsible for compliance with the applicable laws with respect to the services obtained from AsiaNext.

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## 1. Introduction

**AsiaNext (i.e. Asia Digital Exchange Holdings Pte. Ltd. and its subsidiaries)** operates separate platforms for the:

- (a) trading of cryptocurrency derivatives via Asia Digital Derivatives Pte. Ltd. (ADDE),
- (b) listing and trading in securities via Asia Digital Exchange Pte. Ltd. (ADX) which has obtained the Monetary Authority of Singapore's (MAS) Recognised Market Operator (RMO) and Capital Market Services (CMS) licenses, and
- (c) trading of Digital Payment Tokens ("DPT", commonly known as cryptocurrencies) via Asia Digital Asset Exchange Pte. Ltd. (ADA) – license application being reviewed by MAS.

Please refer to the respective platforms' service documents for more information regarding trading of securities and DPTs. Operations related queries can be directed to [ClientOps@asianext.com](mailto:ClientOps@asianext.com) and all other general queries can be directed to [ClientServices@asianext.com](mailto:ClientServices@asianext.com).

**Asia Digital Derivatives Pte. Ltd.** (hereinafter referred to as "ADDE") (LEI: 213800C3T4MEBJ88WM62 and MIC: XAND), a wholly-owned subsidiary of Asia Digital Exchange Holdings Pte. Ltd., which is a joint venture company between SIX Group AG (in Switzerland) and SBI Holdings, Inc. (in Japan), operates a trading platform to trade cryptocurrency derivatives. ADDE operates a central limit order book and only clients meeting eligibility requirements and admitted as a "Member" may access its trading platform.

This document ("Document" or "Service Document") is intended to provide Members and prospects with a general understanding of ADDE and the derivatives trading platform it operates, how to become a "Member" and member obligations, means of accessing the trading platform, and how to fund and trade cryptocurrency derivatives on ADDE and the margin/settlement requirements.

## 2. Licensing

MAS has taken the position that payment token derivatives ("PTDs") (otherwise known as "cryptocurrency derivatives") as a general asset class are not yet suitable to be regulated and MAS does not regulate PTDs unless they are listed on or offered by an Approved Exchange under the Securities and Futures Act (SFA) 2001 of Singapore. This means that the trading on ADDE is not a regulated or licensable activity in Singapore and, until such time where there are changes to the existing regulations, ADDE is not licensed or regulated by the MAS and hence do not fall within the regulatory purview and oversight of the MAS. Though unlicensed, ADDE will, to the extent possible, adopt similar controls and policies and risk management processes in respect of our operations of the Trading Platform as will be applied to our other regulated or to-be-regulated business operations,

## 3. Membership

ADDE operates a "members-only" platform for the trading of cryptocurrency derivatives. This means that only institutions admitted to ADDE as "Members" and which have agreed to comply with AsiaNext Derivatives Trading Rules ("**Rules**") requirements may access its trading platform and enter orders in cryptocurrency derivatives.

Applications to be a "Member" shall be made directly to ADDE. Member Applicants seeking access to ADDE's trading platform must complete the "Member Application Form & Account Opening Form" and provide supporting documentation (under the "Required Documents Checklist") to ADDE. U.S. Persons

or entities that have significant business presence or operations in the United States of America and its Territories will not be admitted to ADDE. ADDE will also not onboard individual investors or clients that are incorporated or operating in high-risk jurisdictions where the FATF has called to apply countermeasures, or jurisdictions where trading in such products are legally prohibited.

## 3.1 Membership Types

Member Applicants must elect and apply for one of the following categories of membership in the Member Application Form:

General Member – a Member that is permitted to transact its Own Business (i.e. house or proprietary positions) and business for its customers on the Trading Platform. General Members must segregate Own Business from customers' positions and maintain separate trading accounts for each.

Trading Member – a Member that is permitted to transact its Own Business only on the Trading Platform

ADDE maintains a legal relationship solely with the Members, and in cases where a Member provides Direct Market Access to ADDE trading platform for its Customers, these do not result in or lead to the establishment of a legal relationship between ADDE and the Direct Market Access Customer. Such Member that permits or enables its Customers access to ADDE trading platform remains responsible for all actions and omissions by its Customers, and bears sole responsibility for all obligations and liabilities arising from its Customers interaction with ADDE trading platform and for all executions which arise from orders transmitted by them under the Member's ID, irrespective of whether these were made by authorised or unauthorised individuals of the Member's Direct Market Access Customers. The following are the main requirements applicable to Members facilitating access to ADDE trading platform by its Customers:

- (a) the Customer to have appropriate procedures in place to assure that it and its relevant staff having access to ADDE trading platform (i) shall be sufficiently familiar with and comply with the Rules; and (ii) have adequate knowledge and proficiency in the use of the trading platform and the relevant order management systems;
- (b) the Customer to be provided information concerning its access to the trading platform;
- (c) the Customer to have security arrangements in place to ensure that unauthorised persons are denied such Direct Market Access;
- (d) the Customer to assist ADDE promptly in any investigation into potential violations of the Rules and applicable laws, including the provision of information to ADDE relating to the identity and address of any person who may be responsible for the execution of an order or trade; and
- (e) the Customer to ensure, and any other person delegating Direct Market Access to ensure, that all persons given Direct Market Access are subject to the requirements in the Rule.

### 3.1.1 Suspension and Termination of Direct Market Access

AsiaNext may without prior notice suspend or terminate or direct a General Member to suspend or terminate immediately a person's Direct Market Access:

- (a) where the person has failed to assist AsiaNext with an investigation in accordance with the Rules;
- (b) in the interest of a fair and orderly market; or
- (c) where the person or General Member has breached any of the Rules or any applicable laws.

A Member must have the ability to immediately suspend or terminate a person's Direct Market Access when necessary for the fulfilment of its duties under the Rules or any other reason.

### 3.2 Member Eligibility Criteria

All Members are required to meet the eligibility criteria set out in Rule 4.2 (Membership Eligibility Criteria) of the Rules, at the point of application and, where relevant, on an ongoing basis thereafter. Below are the salient criterion:

- (a) Members shall pass anti-money laundering and know-your-customer checks of ADDE.
- (b) Members must be of good financial, legal and regulatory standing.
- (c) Members must be either an "institutional investor", a corporate "accredited investor or an "expert investor" (as defined under the Securities and Futures Act 2001 of Singapore), subject always that a General Member must be registered, licensed, approved or otherwise regulated in respect of the transacting of business for customers on ADDE. Individuals or retail investors will not be admitted as a Member.
- (d) Members must ensure their ongoing compliance with the Rules.
- (e) Members must have in place appropriate technology and security system for secure access to ADDE's trading platform.

Documentary proof of the above shall be furnished by Member applicants to ADDE for review and record-keeping, where relevant and required.

### 3.3 Member Onboarding Process

Upon expressing an interest to become a Member of ADDE, we will inform you of the forms and supporting documents required for due diligence purposes. We will also introduce key members of our cross-departmental onboarding organisation comprising Commercial, Product, Technology, Operations and Risk to you to address questions, as well as assist with trading connectivity and conformance testing. Typical onboarding process is expected to take about 2 to 3 months but may be faster for Members which are trading via our web-based GUI, or which are able to provide requisite documentations, respond to our queries and complete connectivity and testing promptly.

### 3.4 Member Obligations

All Members shall at all times ensure its (and its representatives') continuing compliance with ADDE's requirements, including the Rules. This is to promote ADDE's operations of a fair, orderly, and transparent market, and a market where risks are adequately managed.

Members are also obliged to notify ADDE upon the occurrence of specific adverse events. These are matters that may affect the viability of continuing as a Member on ADDE. Please refer to Rule 5 (Members' Continuing Obligations) for details.

Any non-compliance with the Rules will be investigated by ADDE and Members may be subject to disciplinary action by ADDE should there be a breach of the Rules. Members are obliged under the Rules to provide reasonable co-operation to ADDE in its investigation of a potential Rules breach.

Members will be required by ADDE to provide periodic attestation on the compliance with the Rules and other applicable requirements.

## 3.5 Suspension or Termination of Membership

### 3.5.1 Resignation by Member

A Member must give ADDE 30 calendar days' notice in writing of its intention to resign from Membership of ADDE. ADDE may in its absolute discretion, refuse to accept notice of resignation in the event that it considers there is an outstanding matter concerning the Member that is subject to ongoing investigation. A Member's resignation is not effective and the Rules will continue to bind the Member until:

- (a) all the Member's outstanding Orders have been matched, settled or cancelled; and
- (b) all the Member's obligations under the Rules have been performed.

### 3.5.2 Suspension or Termination by ADDE

ADDE may at its absolute discretion immediately (a) suspend or (b) restrict the Member's right to place Orders or receive information from ADDE or (c) terminate the membership of a Member, if it appears that a Member:

- (a) is in such financial condition that ADDE reasonably considers that it would not be prudent to permit it to continue trading on ADDE;
- (b) is under an Insolvency Event;
- (c) ceases to meet the Eligibility Criteria of the Rules;
- (d) is subject to regulatory enforcement or other proceedings by MAS or any other authority which has a material impact on the Member's ability to comply with the Rules;
- (e) fails to pay any Fees (including any dues, fees, charges or other amounts) due to ADDE within 60 calendar days after the same has become payable; or
- (f) engages (or is suspected of engaging) in any activity which has or is likely to impair the functionality or reliability of the ADDE or compromise, impair, restrict or prevent the ability of ADDE to operate a fair and orderly market;

The Member will be notified in writing of any action taken or proposed to be taken by ADDE in relation to the Rule.

### 3.5.3 Effect of Termination or Suspension

In the event ADDE suspends or terminates a Member or a Member's trading access, it may:

- (a) direct the affected Member to close out any or all Open Positions;
- (b) hedge and/or close out any or all Open Positions at prevailing prices (or at a price ADDE deems appropriate in the circumstances); or
- (c) take such other steps that it deems fit for the protection of Members or the maintenance of a fair, orderly and transparent market. A suspended or terminated Member's outstanding Orders on the Trading Platform will be cancelled by ADDE immediately upon suspension or termination. A Member which ceases to be a Member shall remain subject to the Rules and the jurisdiction

of ADDE in respect of acts and omissions while it was a Member and in respect of any investigation or disciplinary proceedings relating thereto as if it was a Member.

The affected Member (and its Member's Representatives) shall provide full cooperation to ADDE on the directions. A suspension or termination of a Member or a restriction of Member's trading access does not in any way affect the liabilities of the Member to AsiaNext and other Members and all such liabilities shall continue until discharged.

## 4. Maintenance of a Fair, Orderly and Transparent Market

ADDE operates a central limit order book for its trading platform. To promote confidence in its trading platform, it ensures, as far as reasonably practicable, that it operates in a fair, orderly, and transparent manner. To support this, in addition to the undertaking of enforcement actions to ensure compliance with the Rules, ADDE also performs real-time monitoring and market surveillance of its trading platform.

ADDE implements automated market surveillance using tools and processes to detect and prevent, as far as possible any market abuse and market manipulation activities on the trading platform, including wash trading, spoofing, layering and pump-and-dump. This is carried out by monitoring of orders received (including amendment and cancellation of orders) and trades executed for Members on the platform in order to identify possible breaches of the Rules.

ADDE may query a Member on alerts generated by its market surveillance tool, and errant Members may be subject to disciplinary action in accordance with Rule 17.2.

## 5. Account Structure

ADDE supports proprietary trading by Members as well as trades conducted by Members on behalf of their clients.

<p><b>Member trading for proprietary account only (i.e. Trading Member)</b></p>	<ul style="list-style-type: none"> <li>• One Member account to be set up</li> <li>• Positions, Margins, Profit/Loss, Call Account Balances tracked at Member account level</li> </ul>
<p><b>Member trading for proprietary and agency accounts (i.e. General Member)</b></p>	<ul style="list-style-type: none"> <li>• Separate accounts to be maintained under Member's name (one for proprietary and one or more for agency accounts)</li> <li>• ADDE faces Member as principal for both proprietary and agency accounts</li> <li>• Positions, Margins, Profit/Loss, Call Account Balances tracked at each account level</li> <li>• Deposits to be funded by Member at individual account level</li> <li>• Individual clients use the trading access rights of the Member to access ADDE</li> <li>• ADDE conducts KYC only on the Member (in respect of General Members, this is on the basis that they are licensed and conduct KYC on the individual end-clients)</li> </ul>
<p><b>Member trading for individual client separately on disclosed name or undisclosed basis (i.e. General Member)</b></p>	<ul style="list-style-type: none"> <li>• One account to be set up for each client in client's name</li> <li>• Positions, Margins, Profit/Loss, Call Account Balances tracked at each account level</li> <li>• Deposits to be funded by Member at individual account level</li> <li>• Individual clients are provided with direct trading access to the trading platform by ADDE</li> </ul>

	<ul style="list-style-type: none"> <li>ADDE conducts KYC on both Member and individual clients</li> </ul>
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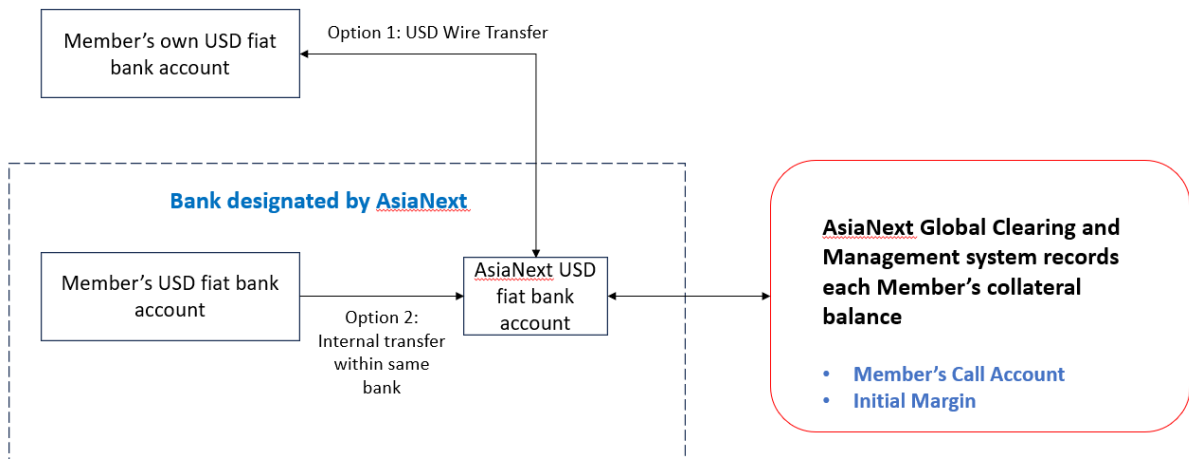
For General Members, it must show proof of licensing status (or exempt status) for the provision of agency services to its clients. ADDE will also request for information or documentation evidencing the General Member’s satisfactory controls relating to CDD and AML/CFT matters, including but not limited to Wolfsberg (or other AML) Questionnaire.

## 5.1 Liquidity Making and Liquidity Taking

Members which have executed ADDE’s liquidity provider agreement (hereinafter referred to as “liquidity providers”) may also take liquidity from ADDE from time to time. They may conduct both types of trading activities through the same account with ADDE.

## 6. Bank Accounts and Funds Flow

Members may establish bank account(s) with banks nominated by ADDE to fund the collateral and margin requirements for derivative trades via internal transfer within the same bank. This would be the preferred way as it facilitates swift sighting of funds by ADDE and eliminates the fiat wire transfer delay. Alternatively, Members shall notify ADDE to whitelist their designated bank account(s) so that it can receive funds withdrawn from ADDE Account, and transfers from Members’ designated bank account(s) can be deposited into ADDE Account for collaterals and margin top-ups via wire transfer. The following diagram illustrates funds flow to/from ADDE Account.



### 6.1 Bank Accounts Used by ADDE

Presently, ADDE uses Standard Chartered Singapore Limited and Bank Frick bank accounts for Members to fund their call accounts for trading and for default fund contribution purposes. Members who also bank with Standard Chartered Singapore Limited or its related branches are able to effect almost instant USD transfers for up to 22 hours a day, 7 days a week (2 hours downtime each day starting around 10pm to 11pm GMT). Members who also bank with Bank Frick are able to effect almost instant USD transfers for up to 23 hours a day, 7 days a week.

Members will not be able to view their cash balances in ADDE Account via a web interface. They should refer to the hourly settlement run reports that are automatically generated and emailed to Members or pull the required information via ADDE REST API connectivity.

## 6.2 Holding of Members' Funds

Members' funds including margins and excess collateral in their call accounts are held in reputable and regulated bank accounts in the name of ADDE. These Members' funds are not commingled with ADDE's and AsiaNext's own corporate funds, and it cannot be used by ADDE for the payment of ADDE's or AsiaNext's debts (if any). Between ADDE and the Member, the Member's funds can only be applied solely for the purposes agreed to by Members. Finally, Members' funds cannot be transferred out except where the transfer is in accordance with the Members' written instructions obtained prior to each transfer, or is permitted under ADDE Trading Rules, or is authorised by law. However, do note that, in the case where Members' funds are held in a bank in the name of ADDE, it is not safeguarded or held on trust by the bank for ADDE's customers and, as such, in the event of insolvency of ADDE the Member will only have an unsecured claim against ADDE for the monies held with ADDE.

A different Standard Chartered Singapore Limited USD account is used to receive Members' default fund contributions.

## 7. Trading interfaces: Binary, FIX, REST and Webtrader

ADDE offers 4 interface options for Members to trade and manage their transactions and information flow.

1. Binary connections (via AWS PrivateLink or Extranet / POP)
2. FIX connections (via AWS PrivateLink or Extranet / POP)
3. AsiaNext Binary Bridge to REST (ABBR)
4. Front-end Trader web application

**Binary connections:** For clients that require low latency, a proprietary binary protocol is available for an efficient, streamlined, and low latency order entry and trading activity.

**FIX connections:** An enhanced FIX 4.2 protocol is supported.

For clients connecting via binary or FIX, a drop copy service is provided for reporting trading activities.

**ABBR:** For clients on REST, an AsiaNext Binary Bridge to REST (ABBR) is available. The order entry data is converted from REST to binary protocol before submission to the matching engine. Market data is provided via WebSockets (WSS).

**Front-end Trader web application:** For clients who prefer manual order entry and trade tracking, a front-end Trader web application is available.

Further information on how to set up connectivity with ADDE will be provided upon request.

### 7.1 Assistance with Extranet and PoP connections

AsiaNext has a partnership with Colt Technology Services which can assist our clients with Extranet and PoP connections. AsiaNext's Technology staff are also involved during this process to ensure the connectivity and conformance testing are conducted smoothly from start to finish.

### 7.2 Post Trade API

## 7.2.1 Available Reports

ADDE allows Members to query the following reports via Representational State Transfer (REST) Application Programming Interface (API) connectivity:

- (a) Active Principal - to retrieve active principal. Response will return *memberName*, its principal code via *memberCode*, and for Broker-Client account setup, *clientName* and *clientCode*.
- (b) Call Account Statement – to retrieve Member’s call account statement. Response will return:
  - *Active Principal* (report #1 above)
  - *movements* array, *openingBalance*, *openingBalanceDateTime*, *closingBalance*, and *closingBalanceDateTime*.
  - The *movements* array contains information on *description*, *value*, and *effectiveDate*, during the selected period.
  - *description* string contains information on:
    - *MtmMovement\_901*: Mark-to-Market movement (includes hourly MTM P&L and final maturity settlement P&L if applicable for the selected period)
    - *MarginPayable\_905*: Initial margin movement
    - *JournalDeposit\_961*: Manual journal deposit
    - *JournalWithdrawal\_963*: Manual journal withdrawal
    - *FundingMovement\_955*: Funding rate movement (only applicable to Perpetual Futures contract positions for the selected period)
  - *value*: reports an amount in USD
  - *initialMarginRequired*: initial margin balance at end of selected period
  - *cumulativeProfitAndLoss*: cumulative P&L since Member creation
  - *cumulativeFundingAmount*: cumulative Funding balance since Member creation
  - *minimumDepositRequired*: latest minimum deposit required; calculated after hourly settlement run
  - *marginLimit*: margin limit assigned by ADDE
  - *marginLimitUtilisedPercent*: margin limit utilised %; calculated after hourly settlement run
- (c) Closing Price – to retrieve the closing prices of contracts based on the settlement run time. Response will return:
  - *contract*: see report #4
  - *price*: for non-expiring contracts, price represents MTM price. At expiry hour, price of the expiring contract represents final settlement price.
  - *fundingBP*: funding rate in basis points and applicable only to Perpetual Futures contracts. Otherwise default to 0.00.
- (d) Contract – to retrieve the active contracts on ADDE. Response will return:
  - *asset*: underlying asset (e.g. BTC, ETH)
  - *exchangeSymbol*: instrument / contract code
  - *currencyCode*: currency denomination of the instrument / contract as indicated in Contract Specifications published by ADDE.
  - *settlementType*: cash settled or physical delivery
  - *maturityDate*: contract maturity / expiry date
  - *displayName*: description of instrument / contract
  - *contractSize*: number of units of underlying asset per contract
- (e) Notification – to retrieve the active alerts of the Member. There are 4 notification types:

- *MarginLimit*: returns the margin limit assigned by ADDE, the *currentValue* of margin utilised, the date and time in UTC when notification was triggered (*notificationActivatedTime*), and the margin limit breach *notificationType*.
  - *MarginNotice*: returns the margin limit assigned by ADDE, the *currentValue* of margin utilised, the date and time in UTC when notification was triggered (*notificationActivatedTime*), and the margin limit utilization warning *notificationType*.
  - *MarginCall*: is an outstanding margin call *notificationType* which shows the top up amount to regularize a margin call via *outstandingMarginCallAmount*, the date and time in UTC when notification was triggered (*notificationActivatedTime*), and the current call account balance via *currentValue*.
  - *MinimumDeposit*: is a Minimum Deposit top up notice informing Member of the outstanding amount to meet the Minimum Deposit requirement via *shortfall*, and also returning the *threshold* minimum deposit required, the current call account balance via *currentValue*, and the date and time in UTC when notification was triggered (*notificationActivatedTime*).
  - Position Statement – to retrieve the Member's position statement. Response will return *Active Principal* report, *Contract* report, and net position by contract at the end of the queried settlement run via *closingPosition*.
- (f) Cleared Trade Statement – to retrieve the cleared trade statement for Member between stated dates and times. Response will return *Active Principal* report, *Contract* report, number of contracts via *quantity*, buy or sell *side*, traded *price*, *tradeTime*, *exchangeRefNo* which is the executed trade ID, *orderId* which is the order ID returned by ADDE's matching engine, *clOrdId* which is the Member's trading system's order ID, the transaction *fee* (excluding GST) and the transaction fee in basis point via *feeBasisPoint*.

The transaction *fee* and *feeBasisPoint* endpoint may not be representative of all trades. Members are advised to refer to the fee invoice or credit note that are sent to them after the end of each month for the official transaction fee payable / rebate earned. Alternatively, Members should consider reconciling their Order Add messages with PO / non-PO Order Types with their Cleared Trade Statement. Only executed orders that have PO Order Type will be eligible for rebate.

- (g) Uncleared Trade Statement - to retrieve the uncleared trades for Member. Response will return *Active Principal* report, *Contract* report, number of contracts via *quantity*, buy or sell *side*, traded *price*, *tradeTime*, *exchangeRefNo* which is the executed trade ID, *orderId* which is the order ID returned by ADDE's matching engine, and *clOrdId* which is the Member's trading system's order ID.
- (h) Indicative Margin Required – to retrieve the Member's indicative margin required. Response will return the margin limit approved by ADDE, the indicative initial margin utilized at the point in time (which will differ from the actual initial margin calculated on the next hourly settlement run), and the time of retrieval.
- (i) Indicative Profit and Loss – to retrieve the indicative profit and loss before the next hourly settlement run occurs. For clarity *the mark price is calculated every 5 minutes and open positions' P&L will be calculated using the average price against the most recent 5 minutely mark price*.

The average price for each instrument/contract is based on the most recent Settlement Run's mark price and entry price of trades done in the hour. Be aware if you request for Indicative Profit and Loss while the Settlement Run is being calculated, the output will be based on the most recently calculated Settlement Run values.

### 7.2.2 Authentication and Refresh Tokens

Members are required to send a HTTP POST login request to ADDE authentication API. The response received by the Member will contain the Authentication Token and the Refresh Token. The default expiry times are set to 5 minutes for the Authentication Token and 30 minutes for the Refresh Token, and can be changed. If the authentication token expires, the Member is required to send a HTTP POST Refresh request with the refresh token in the authorization section of the request's header.

### 7.2.3 Message Signing

ADDE uses the JSON Web Signature (JWS) standard for creating digitally signed and encoded JSON objects. A JWS consists of three parts:

- (a) Header – contains information about the algorithm used to create the signature, as well as any
  - a. additional information that is needed.
- (b) Payload – the actual data being transmitted.
- (c) Signature – a hash of the header, payload, and a secret key that is shared between the sender
  - a. and the receiver.

Each message that is sent through the ADDE Post-Trade API needs to be signed with an authentic Secret Key that will be supplied by ADDE to the Member. Once signing has successfully taken place, the JWS will be sent in the body of the HTTP Request in the form of a JSON string. The Post-Trade API can then verify the signature using the same secret key and algorithm specified in the header, and decode the header and payload to access the data transmitted in the JWS. The Post-Trade API uses token-based Authentication. For the below HTTP calls to be successful, the Member needs to populate the "Authorization" header, of the message being sent, with the Authentication token (accessToken) received from the Authentication API on Login or Refresh.

## 7.3 Scheduled Maintenance

To ensure optimal performance and security of our systems, we have scheduled regular maintenance sessions on the FIX, ATP Gateway, REST and WSS, and Webtrader on various days of the 4th week of each month. The table below is the regular schedule (subject to change):

<b>FIX, ATP Gateway, REST and WSS</b>			
<b>Maintenance Group</b>	<b>Maintenance Day</b>	<b>Start Time</b>	<b>End Time</b>
Production (A)	4 <sup>th</sup> Friday of the month	10:00 AM SGT	12:00 PM SGT
Production (B)	4 <sup>th</sup> Tuesday of the month	10:00 AM SGT	12:00 PM SGT
Disaster Recovery (C)	4 <sup>th</sup> Monday of the month	10:00 AM SGT	12:00 PM SGT
<b>Webtrader</b>			
<b>Maintenance Group</b>	<b>Maintenance Day</b>	<b>Start Time</b>	<b>End Time</b>
Production	4 <sup>th</sup> Friday of the month	10:00 AM SGT	11:00 AM SGT

During the maintenance period, services for the specific maintenance group will be unavailable and resting orders will be cancelled.

For each monthly maintenance, members will receive email notifications 2 weeks and 1 week prior to the actual maintenance.

We appreciate your understanding and cooperation as we will work to maintain the reliability and security of our systems.

## 8. Infrastructure and Cyber Security

ADDE has implemented comprehensive controls and procedures to mitigate impact from any system failure to ensure the smoothest possible and uninterrupted operation of the trading venue to its Members.

- (a) Infrastructure is resilient by design with hardware and connectivity redundancies across various Availability Zones that are resilient to single site failure
- (b) Rigorous system testing
- (c) Micro network segmentation
- (d) Multi-layered defence to block attacks at multiple layers
- (e) Proactive health checks and regular system patching
- (f) Security Information and Event Management via 24x7 monitoring of systems and cloud service providers, threat detection and prevention
- (g) Automated and regular patching to ensure systems are up-to-date
- (h) Regular vulnerability scans and penetration tests
- (i) System backup and recovery
- (j) Regular Disaster Recovery / Business Continuity Plan exercises
- (k) ADDE's engaged cloud service provider, Amazon Web Services (AWS), is resilient and independently verified to have met Threat, Vulnerability and Risk Assessment. AWS is also compliant with MAS' Technology Risk Management requirements.

## 9. Crypto Derivative Products, Contract Expiry and Position Settlement

ADDE cryptocurrency (or "DPT" or "digital payment token") Derivative Contracts ("Contracts") shall have the following settlement and valuation process:

- (a) Upon contract expiry, final settlement will be via cash debit or credit.
- (b) The Final Settlement Price shall be the Settlement Reference Rate at 4 p.m. UTC on the expiry date calculated based on the last hourly VWAP (Volume Weighted Average Price) of the underlying cryptocurrency taken from whitelisted crypto exchanges (as defined in the SIX Reference Rate Crypto Indices methodology).
- (c) Members holding Open Positions at the contract expiry shall make payment to or receive payment from ADDE in accordance with the margin procedures, based on the Final Settlement Price.

- (d) In the event of a hard fork, the affected Contract shall continue to settle to the Settlement Reference Rate corresponding to the original DPT / fiat pair (i.e. BTC/USD or ETH/USD). ADDE may in its sole discretion take alternative action with respect to hard forks (including potential trading halt during the hard fork period) in consultation with the Members as appropriate.

Presently, Members are unable to query the historical Final Settlement Prices via REST endpoints but ADDE will consider providing this feature to allow Members to readily reconcile their trades profit and loss via API calls.

Perpetual Futures do not have any fixed expiry date and settlement is conducted in the same manner as it would be done for pre-expiry futures contracts.

## 9.1 Funding Rate for Perpetual Futures

The funding rate is calculated and paid or received every hour. When the funding rate is positive, long position holders pay funding to the short position holders; when the funding rate is negative, short position holders pay funding to the long position holders. The following rules apply to the funding rate:

1.  $P_{BID} < p_{Index} < P_{ASK}$ : zero funding rate

$$r_f = 0$$

2.  $p_{Index} < P_{BID}$ :

$$r_f = (P_{BID} - p_{Index}) / p_{Index}$$

3.  $P_{ASK} < p_{Index}$ :

$$r_f = (P_{ASK} - p_{Index}) / p_{Index}$$

$p_{Index}$  = SIX/BITA index price at the hour

Calculation of Impact Volume Weighted Average Bid/Ask price is described as follows:

- (a) Set an Impact Quantity on the number of contracts. The Impact Quantity is used to locate the average Impact Bid or Ask price in the order book.

Calculate  $P_{BID}, P_{ASK}$  using volume weighted average Bid/Ask price from the order book where volume is up to the Impact Quantity as determined in step 1

The Impact Bid and Ask are calculated when both are simultaneously available on the hour; else the next most recent observation is used.

- (b) Determine funding rate based on the above rules. The actual funding payment/receipt is calculated by multiplying the funding rate with the position size.

The resulting hourly funding rate is subject to appropriate cap and floor values. This means that if the hourly funding rate calculated is above the cap or below the floor, it would be adjusted to the cap or floor respectively.

## 9.2 Novation to ADDE

Under the Rules, all trades in cryptocurrency derivatives on ADDE's trading platform will be novated to ADDE such that there will be two resulting contracts (identical to the original contract) – one contract

between the selling Member and ADDE, and one contract between the buying Member and ADDE. Please refer to Rule 10 (Novation and Settlement) of the Rules for details.

As the central counterparty to each of the selling Member and buying Member, ADDE replaces the original parties to the trade. This has the effect of facilitating post-trade anonymity, simplifying the settlement process, and eliminating the bilateral relationship between the original parties to the trade and, in doing so, remove the buying and selling Members' counterparty risk against each other from trade until final settlement of the contract.

During the lifetime of the trade between trading and final settlement, ADDE manages or facilitates trade management, position management, risk management, and settlement calculation and facilitates the settlement process. The counterparty risk is mitigated through margining requirements, using best-practice risk models, and setting high risk management standards.

### 9.3 Settlement and Clearing Aggregation/Netting

ADDE aggregates and nets all gross settlement transactions of the Member on Contract expiry day and creates one net settlement transaction per instrument, currency, and settlement date on the respective settlement account.

ADDE allows for netting or offset of all open interest of Contracts in computing a Member's initial margin requirement at each instrument class (BTC or ETH). Members are margined on a net basis by aggregating the initial margin across all Contract products within ADDE.

### 9.4 Settlement Participants

A settlement participant is a party that has entered into an agreement with ADDE to participate in the settlement of the derivatives trades executed on its own account and/or on trades carried out by other parties. ADDE acts as the Central Counterparty in the trade executed on its platform between two Members. The Member will (as default) be a settlement participant on the platform itself.

### 9.5 Final Settlement Price

ADDE shall determine the Final Settlement Price for each Contract (to which final settlement applies) in accordance with the relevant formulae and procedures set out in the relevant Contract Specifications. The Final Settlement Price so determined by ADDE shall be final.

If, for any reason, the relevant index or other value on which final settlement of any Contract is based is not published at the end of the Last Trading Day for such Contract, or ADDE believes there is an error in the calculation of the index or other value, or ADDE is otherwise unable to issue a final settlement price on such trading day and alternative settlement procedures are not otherwise specified in the relevant Contract Specifications, then ADDE may:

- (a) postpone the determination of the Final Settlement Price until such time as the relevant pricing data (as set out in the applicable Contract Specifications and Specific Contract Rules) is available for up to the duration set out in the applicable Contract Specifications and Specific Contract Rules; or
- (b) determine a Final Settlement Price that reflects the true market value at the time of final settlement based upon another pricing source or otherwise in a commercially reasonable manner.

## 9.6 Matching of Order Instructions

Members shall have the following order fields available to send in their orders to ADDE for order matching:

- Transaction type: [Buy] or [Sell]
- Order type:
  - [Limit order] for buying or selling contract at a specific price or better.
  - Post-Only (PO) and Post-Only Cancel Replace (POCR) Orders are enabled only for liquidity providers. They are specified using the custom FIX tag *AquisOrderAttribute (27010)* on the New Order Single message, and as *u8* orderType in ADDE's binary protocol, Aquis Trading Protocol (ATP).
- Time-in-Force:
  - Good-Till-Date or [GTD] (up to contract expiry date)
  - Immediate or Cancel or [IOC]: Immediate fulfilment of whole or partial order against available resting orders. Unfulfilled order portion will be cancelled
  - Fill or Kill or [FOK]: Immediate execution of the whole order against resting order. Unexecuted order will be cancelled.

Orders received from the Members shall be matched with available resting orders based on price time priority. Price priority will cross and match the incoming buy order with the best price (i.e. lowest sell price) on the resting sell order queue. Conversely, the incoming sell order will be crossed and matched with best price (i.e. highest buy price) on the resting buy order queue. Time priority will cross and match the incoming order with the earliest resting order or orders received if there are multiple resting orders with the order limit price.

The price of the executed trade will be determined based on the resting order limit price or resting orders' volume-weighted limit prices that is / are crossed and matched with the incoming order i.e. trade price will be based on maker order price.

Self-trade prevention will be imposed on liquidity providers to prevent their own orders from crossing in the matching engine on price time priority. If an incoming (or price modified) order would trade with another order from that liquidity provider that is already in the AsiaNext order book, the existing resting order is automatically cancelled. The incoming order may trade with other orders, or is posted to the order book, as normal.

## 10. Risk Management

In its role as a central counterparty, ADDE provides robust and comprehensive risk management framework to ensure the financial performance of every cleared trade.

ADDE has established a risk management system to monitor and measure the risk exposure of its Members.

The risk management framework includes a dedicated margin methodology to perform the quantitative assessment of the inherent market risk and incorporate additional margin layers to cater for liquidity, concentration, and stress testing.

To enhance the continuous operation and the integrity of the platform, ADDE offers a 24/7, hourly margining & settlement cycle to effectively manage the overall liquidity and counterparty risk of ADDE. The overall margining process can be funded with USD fiat and eventually (Day 2) with an acceptable digital fiat offered by well-established financial institutions.

## 10.1 Margining, Mark-to-Market, Limits Breach and Margin Call

### 10.1.1 Margining Process

Margin represents assets held as collateral against any financial obligation relating to its open positions in derivative contracts. Margins are calculated to cover current and potential exposures on all open positions.

ADDE maintains both Initial Margin and Minimum Deposit in prescribing minimum margin and collateral requirements respectively for its Members.

Initial Margin represents the minimum margin that ADDE requires from Member for newly entered positions and it includes margin and margin add-ons.

Minimum Deposit applies only to Members who are not settling hourly margin requirements as calculated by ADDE and represents the minimum collateral level in the call account that ADDE requires from Members, over and above Initial Margin and Margin add-ons. Minimum Deposit requirement accounts for the longer default margin period of risk exposure. The table below is an illustration of possible Initial Margin and Minimum Deposit levels under different settlement arrangements.

Type	Settlement	Margin Requirement	Initial Margin** (IM)	Minimum Deposit** (Overnight)	Minimum Deposit** (Weekend)	Remark
1	Hourly	10 %	10 %	N.A.	N.A.	
2	Daily* (Digital Fiat)	20% / 30%	10%	10%	20%	Additional deposit required for PH
3	Daily* (Fiat)	24% / 33%	10%	14%	23%	Additional deposit required for PH

\* Daily settlement clients refers to clients who request to answer margin call/pull once per day despite the system hourly margining cycle.

\*\* Initial Margin and Minimum Deposit levels are indicative for illustration purpose only and may change subject to market price volatility.

ADDE will request from Members excess collaterals if the cash on deposit falls below the Minimum Deposit level computed by ADDE. In such cases, a deposit top-up notification will be issued to top up the call account cash back to the minimum deposit level. ADDE will issue margin call notification if the cash is unable to meet the margin required for the hourly settlement run. Member's account will be temporarily suspended and Member is expected to top up the cash account within a grace period. Beyond the grace period, the account may be partially liquidated to reduce the net open positions and regularize the margin call status. In accordance with section 3.6.3 Effect of Termination or Suspension in this document, margin requirements shall continue to apply to a Member that is suspended by ADDE insofar as the Member having any open position. The suspended Member's margin requirements shall continue to be calculated and the suspended Member shall fulfill any margin call that is issued to it by ADDE.

All deposits posted by Members in their account with ADDE for meeting margin and Minimum Deposit requirements shall not bear any interest.

### 10.1.2 Margin Requirements and Mark-To-Market

ADDE uses a Value at Risk (VaR) based margin model with a single tailed confidence level of 99% derived from (filtered) historical simulations. The margin model seeks to cover estimated distribution of future exposure in pre-specified liquidation periods.

Margin add-ons such as liquidity add-on, concentration or large exposure add-on and credit risk add-on or other risk add-ons may also be applied.

The total initial margin requirement for each Member, which includes the margin for future exposure and the add-ons, will be processed at each settlement cycle.

ADDE conducts Mark-To-Market process and revalues all open positions during each settlement cycle. Gains and losses for futures and options are collateralized together with the margin requirement. Futures contracts are marked to market based on trading activity or order book snapshot or a Reference Rate on ADDE between each hour, i.e. between HH:00:00 and HH:59:59. The table below elaborates the methodology.

Tier	Method / Calculation
a	If the contract traded in the last 5 minutes before the hourly settlement run, then the contract settles to the volume-weighted average price (VWAP) of the trade(s) done in the last 5 mins before the hourly settlement run.
b	If there was no trade in the last 5 minutes before the hourly settlement run, then the contract settles to the midpoint of Bid/Ask - calculated based on VWAP - from order book snapshot taken during the hourly settlement run.
c	<p>If neither trade nor Bid / Ask prices are available, then a reference rate is used as below to determine settlement price:</p> <p><b>Calendar Futures:</b>  <math>\text{Reference Rate} + [(\text{Days to expiration}/360) \times \text{Interest Rate} \times \text{Reference Rate}]</math></p> <p><b>Perpetual Futures:</b>            Reference Rate</p> <p>where,            Reference Rate = SIX Crypto Spot Index            Interest Rate = SOFR term Rates</p>

Members are expected to have sufficient funds to meet both the Total Margin requirement and Mark-To-Market settlement variation calls or risk being deemed to be in default by ADDE.

### 10.1.3 Margin Limit Breach

Every Member of ADDE is allocated a margin limit for trading purposes. A Member will not be allowed to have open positions where the cumulative margin requirements exceed the allocated margin limit. When a Member's margin utilization exceeds 80% or 90% of the allocated margin limit, ADDE system will send a notification to the Member's primary contact to remind the Member to carefully monitor its trades and avoid exceeding its margin limit as trading will be suspended when the margin limit is breached. ADDE's 24/7 Operations team will also call the Member's designated contact regarding this high utilization.

Margin utilization is calculated for each Member only during the hourly settlement runs. As a result, a Member may receive two early warning notifications over two settlement runs, or just one early warning notification, depending on the utilization rate when the settlement run occurred and whether subsequent remedial action was taken to regularize the high utilization warning.

When the Member's margin utilization exceeds 100% of the allocated margin limit, ADDE will notify the Member via email that its trading account will be suspended. Similarly, ADDE's 24/7 Operations team will call the Member's designated contact and request for its immediate action. If the Member is unreachable before the next hourly settlement run, ADDE will suspend the Member's trading access. Following said suspension, the Member's resting orders in ADDE's matching engine will be cancelled. If the Member responds to ADDE Operations team's telephone call before the next hourly settlement run, its trading access will not be suspended. Should the Member call ADDE's 24/7 Operations team back after its trading access has been suspended, ADDE will unsuspend the Member's trading access. For both cases, ADDE will unsuspend the trading access if the Member communicates its intention to close out some of its open positions so as to reduce its margin utilization. Members are expected to input their orders and execute the trades to reduce their open positions before the next hourly settlement run, failing which ADDE will resuspend Member's trading access if its margin utilization still exceeds 100% of its allocated margin limit during the next hourly settlement run. If Members are unable to reduce their open positions due to unavailability of traders or other reasons, its trading access will be suspended until the Member informs ADDE that it is ready to input opposite side orders to reduce its margin utilization.

### 10.1.4 Concentration Limit Breach

ADDE assigns concentration limits at instrument level (e.g. a specific BTC December 2024 contract) and at Member level as part of its risk management. During each hourly settlement run, concentration utilization of each Member is calculated at instrument and Member levels. If a Member's utilization exceeds 80% or 90% of the assigned concentration limit, Member will be notified to carefully monitor its trades and that its trading access will be suspended if its concentration limit is reached. ADDE's 24/7 Operations team will also call the Member's designated contact regarding this high utilization.

When the Member exceeds its assigned concentration limit, ADDE will notify the Member via email that its trading account will be suspended. Similarly, ADDE's 24/7 Operations team will call the Member's designated contact and request for its immediate action. Further, ADDE's Relationship Management team will contact the Member to understand its plans for regularizing the breach if it has not been rectified after one business day. ADDE reserves the right to take action against the Member if the concentration limit breach remains unresolved for a prolonged period of time.

### 10.1.5 Margin Call

If there is no cash on deposit in Member's call account to meet the margin requirement (including funding rate requirement) during the hourly settlement run, a margin call notification will be emailed to the Member, and ADDE's 24/7 Operations team will also call the Member's primary contact. ADDE will

endeavour to call for a few times if the Member does not immediately respond. In times of market volatility, ADDE may be required to close out positions swiftly to protect the interest of the venue hence the obligation is on each Member to ensure prompt response to ADDE's communications. The Member is required to arrange for prompt cash funding into its call account, or close out some of its open positions to regularize the margin call. ADDE will at the same time suspend Member's trading access. The Member is required to inform ADDE's Operations team to unsuspend its trading access if it wants to close out some of its positions.

## 10.1.6 Forced Liquidation of Open Positions Under Margin Call

If the Member is able to promptly initiate a wire transfer of USD and provide a SWIFT MT advice to ADDE, ADDE will assume the funding is in and would not liquidate the Member's positions. Similarly, if the Member demonstrates that it is actively closing out some of its positions to regularize the margin call, ADDE would not liquidate the Member's positions. If the Member is unable to initiate a funds transfer, such as during a weekend, ADDE reserves the right to close out although we will try our best to contact the Member before doing so.

Should ADDE close out a Member's open positions, we will use reasonable endeavours to prioritize the contracts to be liquidated based on their variable margin deficits and liquidate positions until the net deficit for the Member is zeroised for hourly settlement Members, or until the Member's call account has funds that meet the Minimum Deposit requirement for daily settlement Members.

To avoid the above situation, ADDE emphasises the importance of Members topping up the cash account to meet the minimum deposit requirement.

## 10.2 Default Management

ADDE risk management framework includes various risk management tools and processes to address counterparty credit and liquidity risks, i.e., margin, collateral requirement, default management, default fund, etc.

Default governance structure will be in place along with a Default Management Committee (DMC) that has delegated responsibility of the default management process.

ADDE utilises an effective default management framework with defined rules and procedures to manage one or more Member defaults. Upon the activation of a default event, the rules and procedures provide for ADDE to take timely action to contain losses and liquidity pressures, so as to be able to meet continuing obligations.

For ADDE to restore a matched book swiftly and efficiently while managing a default, it has the option to employ the following recovery tools which includes:

- Hedging by novating to other non-defaulting Members
- Closing out defaulted positions through liquidity providers
- Force selling of non-cash collateral

Any profit arising from the closing out of positions will be posted to the defaulting Member's call account, while any losses will be posted to the defaulting Member's call account and shall be fully borne by the Member. At the next settlement run, if the defaulting Member still does not meet margin requirements, ADDE will suspend the Member's trading rights and cancel all existing resting orders placed by the Member.

ADDE's default management framework is supported by a prudently capitalised default fund.

## 10.3 Default Fund

The default fund provides resources with which ADDE can discharge the liabilities of Member defaulting in derivative contracts and mitigate risks and disruptions posed to ADDE due to default of a Member.

To ensure equitability, the default fund comprises of contributions from both ADDE and its Members and will only be utilised if defaulting Member's margins and collateral are insufficient to meet the payment obligations to ADDE.

ADDE's loss mutualisation arrangement is proportionate to the risk exposures Members bring to the system. Specifically, Members make risk-based contributions to the default fund. In addition, ADDE may exercise assessment power to request additional contributions from non-defaulting Members if the default fund contributions from both defaulting and non-defaulting Members have been exhausted.

ADDE's default fund also includes incremental contributions to the default fund from each transaction traded on its platform. These contributions would eventually form a strategic buffer that contributes to loss sharing arrangement.

### 10.3.1 Order of Application of Contributions

Loss mutualisation arrangement via ADDE's prefunded Default "WaterFall" shall be in the following Order and each stage thereof shall be referred to as a Stage of the Order:

1. Defaulter's Initial Margin and excess cash balances
2. Defaulter's Default Fund (DF) contributions
3. Dedicated Capital contribution from ADDE
4. Non-Defaulter's DF contributions and Interest from DF
5. Assessment Powers – additional contributions
6. Central Counterparty's (CCP) reserve for DF (1 basis point) and/or remainder of ADDE's DF provisions and capital

Default Waterfall structure is strengthened by 2 layers of contributions from ADDE's "Skin-In-The-Game" comprising of Dedicated Capital contribution (rank 3) and remaining financial resources of ADDE (rank 6) and it is covered from cold start stage. During cold start, Members' default fund contributions are kept to the minimum as per prescribed under the Rules and default fund requirement is largely subsidised by ADDE's "Skin-In-The-Game". Members shall contribute a one-off fixed amount of USD 100,000 upon the Member being admitted to ADDE.

When the Default Fund (DF) exposure reaches a critical level – upon the Cover-2 Stress Losses (as assessed by ADDE at its discretion) exceeding USD 8 million - each Member shall contribute to the Variable DF within 5 business days of receipt of a written notification by ADDE. Variable DF contribution would be derived as a pro-rata allocation based on each Member's average initial margin level i.e. net open positions on a periodic basis.

As Member's DF contribution gradually increases, ADDE's DF provisions and capital will gradually recede to zero and eventually be covered by CCP's reserve step 6.

### 10.3.2 Maximum Frequency of Contributions

ADDE may only request for a Top-Up contribution up to 3 times in every 6 months period. ADDE shall notify each of the Members in writing of the amount payable by it to ADDE under the Rules.

### 10.3.3 Failure to Make Contributions

ADDE shall be entitled to charge interest (at such rates and upon such terms, as it may in its absolute discretion determine) on any amount payable by a Member as its contribution at such rate as may be determined by ADDE in the event that such Member does not pay the required amount in accordance with the Rules.

ADDE shall also be entitled to exercise any of its rights under the Rules, including the close out of a Member's open interest in any contracts, should a Member fail to make the required contribution in accordance with the timelines stipulated in the notification from ADDE to the Member.

### 10.3.4 Recovery of Payment Out of Default Fund

If any amount paid out of the Default Fund is subsequently recovered by ADDE in whole or in part, AsiaNext shall credit the amount so received to the Default Fund in the reverse of the Order in which it was paid out. Where contributions by Members had been paid out of the Default Fund, the amount so received for the relevant Stage of the Order shall be paid back to such Members on a pro-rata basis of each Member's required contribution to the aggregate required contributions from all Members other than the Defaulting Member for that relevant Stage of the Order, provided that if any Member has not paid any part of the moneys required to be paid into the Default Fund, such Member's contribution of such amount shall be paid first into the Default Fund together with any interest accruing thereon from the date such amount was due to date of actual payment of such amount, and any excess shall be paid back to such Member.

Where contributions by AsiaNext have been paid out of the Default Fund, the amount so received shall be paid towards the relevant stage of the Order and not to AsiaNext.

### 10.3.5 Return of Contributions

Within 3 months of the termination of membership of the Member, provided that all liabilities of such Member to AsiaNext at the time of termination, whether actual or contingent, shall have been satisfied or paid for in full, ADDE shall return to the Member the balance of its contribution.

## 10.4 Collateral

In addition to cash, eligible members may use other AsiaNext-approved assets (such as DPT or securities) as collateral for initial margin for new derivatives positions.

1. For DPTs, eligible members are to note the following:
  - a. they will be subject to additional ML/TF checks, including (i) whitelisting of wallet addresses; and (ii) blockchain screening for DPT transfers to/from ADDE; and (iii) source of funds/wealth declaration for private wallets. If the member's DPTs are held with another VASP, the VASP is to be subject to AsiaNext's counterparty assessment and onboarding processes.
  - b. AsiaNext may not process the DPTs transferred into and out of its wallet addresses, if there are adverse hits pursuant to the ML/TF checks. Member shall bear all risks arising thereof.
  - c. The DPT transferred to ADDE are held in ADDE's wallet address in its own name, and not under any custody or safeguarding arrangement.

[Note: Using DPT held with the crypto spot exchange, i.e. ADA, as collateral for initial margins will be available in due course. Members will have to be onboarded to ADA in due course to avail itself of this optionality.]

2. For securities, members will have to be onboarded to the securities exchange (ADX) prior to the use of eligible securities that is held on ADX as initial margin for new open positions in derivatives contracts. Eligible members will also have to provide a signed Letter of Confirmation to ADX on the pledging of eligible securities to ADDE, among other requirements.

Members are to note that it remains that variation margin will have to be exchanged in the settlement currency of the derivatives contract.

## 10.4.1 Eligible collateral and its coverage

The below assets can be used as collateral to open derivatives positions:

Eligible Digital Payment Tokens:

- USDC

Eligible Securities. Please reach out to AsiaNext for more information.

To calculate the collateral value in settlement currency the above assets may have a haircut applied. The purpose of the haircuts is to address price volatility and liquidity hence the haircut rate will depend on the asset being used as collateral.

- USDC - 5%
- For eligible Securities, please reach out to AsiaNext for more information

ADDE may impose additional, member-specific restrictions or limitations on each eligible collateral.

The above-mentioned collateral types and corresponding haircut are for informational purposes only, these offerings are subject to change and expansion. For the most up-to-date information on eligible collateral and associated haircuts, please contact your dedicated AsiaNext sales or account manager or reach out to our commercial team at [commercial@asianext.com](mailto:commercial@asianext.com).

## 10.4.2 Earmarking and Un-earmarking of assets as collateral

Members must earmark all eligible assets for collateral for them to be considered eligible collateral for initial margin. Similarly, if members want to redeem or withdraw any of their assets that are currently earmarked as collateral, they must un-earmark those assets. Such earmark and un-earmark requests from members are processed by AsiaNext Operations as mentioned below. Be aware that un-earmarking of assets may lead to a margin call or minimum deposit top up in the following hourly Settlement Run cycle if there is insufficient collateral.

Members can send a request to [operations@asianext.com](mailto:operations@asianext.com) for such earmarking and un-earmarking.

The cut-off timing to send such requests are as below:

- USDC – 5pm SGT
- For eligible Securities (funds), please reach out to AsiaNext for more information

### 10.4.3 Liquidation of collateral in default scenarios

In the event of a margin call and default, AsiaNext will take action as specified in Rule 8.2 Margin Default of the AsiaNext Derivatives Trading Rules.

### 10.4.4 Withdrawal of Excess Collateral

A Member may raise a request to withdraw its excess collateral in its call account. A withdrawal request typically takes 1-2 business days (US and SG) to be processed for value. However, there may be circumstances (such as transfers in progress and other requests from multiple members) which necessitate up to another 2 business days (US and SG) processing time. In any event, we endeavour to process all withdrawal requests in a business-like manner and as soon as reasonably practicable.

A withdrawal request will not be processed by ADDE if:

- (a) the Member is under margin call;
- (b) withdrawal will likely result in a margin call on the Member;
- (c) it will result in the Member's call account holding insufficient margin or Minimum Deposit amount; or
- (d) if the Member has not paid any part of the moneys required to be paid into the Default Fund, be it Fixed Contribution or Variable Contribution, inclusive of any interest accruing thereon from the date such amount was due to date of actual payment of such amount.

## 11. Fees and Invoicing

ADDE will charge trading fees for each partially or fully executed trade with the prevailing Good and Services Tax ("GST") rate for applicable Members.

Trading fees in the same month will be consolidated in one invoice for the month. Monthly invoices shall be issued within five business days after the end of the business month.

Payment should be made within fourteen business days from the date of the invoice. ADDE reserves the right to impose interest based on Secured Overnight Financing Rate (SOFR) and late payment penalties at its discretion on overdue invoices.

Liquidity providers are eligible to earn rebates which will be paid to Members before the end of the subsequent month after liquidity providers have qualified for rebates. These qualified liquidity providers will be issued with a credit note and the rebate will be paid into their whitelisted bank account.

### 11.1 Rebates Qualifying Criteria

ADDE pays rebates to liquidity providers which have executed the minimum volume of "maker" trades on ADDE via Post Only (PO) orders. For the avoidance of doubt, orders submitted or executed using Good-Till-Date (GTD) time-in-force input would not qualify as "maker" trades even if such orders were to rest on the order book and not immediately executed upon successful order entry.

For more information about fees and rebates, please refer to ADDE's Fee Schedule.

## 12. Statements

The following reports will be available to Members for their reference:

- Open positions report
- Daily and hourly trades report
- Cash and margin balances report
- Minimum Deposit report

The above reports will be scheduled and emailed to the Member on a fixed hourly or daily basis. Other reports or notifications such as, but not limited to, concentration risk warning, concentration risk breach, margin limit warning, margin limit breach, and margin call notice are issued where applicable.

### 13. Disclaimer

This Document does not constitute an offer or invitation from ADDE, its shareholders or its directors, managers, officers, employees, advisers or representatives, or any other persons, in respect of any other sale or purchase of digital assets, or any of the businesses or assets, described in this Document or in any jurisdiction. In addition, this Document does not represent a term sheet or a commitment by ADDE, its shareholders or its directors, managers, officers, employees, advisers or representatives, or any other persons, to sell digital assets or any of the businesses or assets of ADDE. Neither this Document nor anything contained herein shall form the basis of any contract or commitment whatsoever and should not form the basis of any investment decision and should not be considered as advice or recommendation by ADDE, its affiliates, representatives, officers, employees, agents, to acquire an interest in ADDE pursuant to any means, including any sale or purchase of securities, or any of the businesses or assets of ADDE.

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