

Chapter 5 Information Obligations

Notifications by Clearing Members

501. Each Clearing Member shall notify OTC Clear in writing without delay providing full particulars known to it of:
- (1) any non-compliance with a Regulatory Capital Requirement or any failure to maintain Capital in an amount not less than the Minimum Capital Requirement;
 - (2) a decrease in Capital by more than 10% from the amount of Capital shown on its most recent financial information as provided to OTC Clear pursuant to Clearing Rule 504;
 - (3) any events or matters which relate to the Clearing Member's clearing activities and exposure to general and financial risks as from time to time specified in the Clearing Procedures or as OTC Clear may from time to time specify or notify to Clearing Members;
 - (4) any material breach, infringement of or non-compliance with any provisions of the Clearing Documentation, or where it has reason to suspect any such breach, infringement or non-compliance whether by itself, its Representatives, other Persons acting on its behalf; and
 - (5) anything relating to the Clearing Member which would cause any statement or information previously furnished to OTC Clear in connection with (a) the Rates Derivatives Clearing Services and/or FX Derivatives Clearing Services, (b) its application for admission to be a Clearing Member, or (c) the Tax Information Exchange Framework, to be inaccurate, incomplete or superseded.

Right to Demand Documents

502. Every Clearing Member shall, within a period as OTC Clear may specify, submit to it such statements, books, records, accounts, other documents or information which relate to the Clearing Member's clearing activities or its exposure to general and financial risks as OTC Clear may reasonably demand, and shall promptly respond to all queries from OTC Clear.

Organization Structure

503. A Clearing Member shall send to OTC Clear:
- (1) as soon as reasonably practicable subsequent to any reorganisation of its corporate group, an updated group organization chart;
 - (2) on an annual basis, a list of each of its direct and indirect shareholders holding more than a 10% interest in the share capital or voting rights of the Clearing Member;
 - (3) as soon as reasonably practicable following a change (direct or indirect) affecting 10% or more in the share capital or voting rights of the Clearing Member (including any change in the interest of an existing shareholder who holds an interest (direct or indirect) of 10% or more in the share capital or voting rights of the Clearing Member and any new shareholder

acquiring an interest (direct or indirect) of 10% or more in the share capital or voting rights of the Clearing Member), the relevant information setting out such change; and

- (4) as soon as reasonably practicable subsequent to any change to the identity of those Persons referred to in Clearing Rule 401(17), the updated list of such Persons.

This is without prejudice to OTC Clear's right to reasonably request such or other information more frequently if it wishes to do so, and without prejudice to its rights under Clearing Rules 501 and 502.

Financial Information

504. Each Clearing Member must file the following information with OTC Clear:

- (1) audited financial statements and audited consolidated financial statements, including balance sheet and profit and loss accounts, with the auditor's report drawn up in accordance with Applicable Law and accounting standards within 120 days of the end of the Clearing Member's fiscal year;
- (2) quarterly balance sheet and profit and loss statements that are signed by authorized signatory or signatories of such Clearing Member, drawn up in accordance with Applicable Law and accounting standards, within 30 days of its quarter-end date, together with evidence of signing authority and specimen signatures. Save and except for any changes made to a Clearing Member's list of authorized signatory(ies), a Clearing Member is only required to provide evidence of signing authority and specimen signatures for the first time its quarterly balance sheet and profit and loss statements are delivered to OTC Clear;
- (3) copies of all financial returns made by a Clearing Member to its regulator as soon as reasonably practicable following such returns are submitted to the relevant regulator; and
- (4) such financial or other relevant information which relate to the Clearing Member's clearing activities or its exposure to general and financial risks, in addition to what is explicitly required by this Clearing Rule 504, as may be requested by OTC Clear at its reasonable discretion from time to time.

Record Keeping

505. Each Clearing Member is required to keep all books, records or documents relating to each Contract registered in its name for the term of such Contract and for at least seven years following the termination of each such Contract.