

PHILLIP NOVA STOCKS AND EXCHANGE TRADED FUND (ETF) SHARES FAQs

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General

What is a Stock?

A stock is a security that provides equity ownership of the issuing corporation. Stocks are listed and transacted on stock exchanges such as the Singapore Exchange, Malaysia Exchange, Hong Kong Exchange, and New York Stock Exchange.

What is an Exchange Traded Fund (ETF)?

An ETF is a basket of securities that are listed and traded on a stock exchange. ETFs usually aim to track or replicate the performance of an underlying index, sector or asset.

Passive ETFs vs Active ETFs

Passively Managed ETFs

Passive ETFs track their reference index which can be a broad-based market index or an index for a specific sector. Traditionally, Passive ETFs do not seek to beat the market, so they usually have lower fees as compared to active ETFs. To replicate its reference index, passive ETFs may purchase all or a representative sample of the securities making up the index. As compared to Active ETFs, Passive ETFs tend to have a lower expense ratio because lesser fund managers are required and with less trading activities, lower brokerage fees are incurred.

Actively Managed ETFs

Active ETFs are ETFs that are actively managed by its fund managers. Even though actively managed ETFs may have an underlying benchmark index, the percentage exposure to a specific security making up the ETF are based on the fund manager's discretion. Hence, Active ETFs can potentially outperform the market, providing greater returns. On the flipside, they may also underperform the benchmark index too.

ETFs vs Mutual Funds

As ETFs and mutual funds are both professionally managed, they enjoy the benefit of being diversified and thus are less risky compared to investing in individual stocks or bonds.

	ETFs	Mutual Funds
Transacting method	Bought on an exchange like a stock.	Bought directly from a fund company.
Minimum investment	As small as 1 share.	Mutual funds may require a minimum investment which could vary between USD100 to USD5,000.
Trading costs	Regardless of the performance, investors must pay brokerage, annual fees, management fees and other expenses.	Regardless of the performance, investors must pay the sales charges, annual fees, management fees and other expenses.
Price transparency	Prices are determined by market forces and can fluctuate throughout the trading session.	Mutual funds value their NAV (net asset value) once a day. Purchasing or selling shares of a mutual fund will be executed at the next available NAV

		which is calculated after the close of the respective market.
Position transparency	A quarterly disclosure of holdings is required by the Securities and Exchange Commission (SEC). However, most funds disclose their public holdings daily.	A quarterly disclosure of holdings is required by the SEC.
Dividend pay-outs	Yes	Yes

Types of ETFs

- 1) Equity ETFs
 Equity ETFs track an index by holding a portfolio of equities or stocks similar to its reference index. Equity ETFs can allow exposure to the entire stock market, geographical regions, or even specific sectors.
- 2) Bonds/Fixed Income ETFs
 Bonds and fixed income are generally less liquid and are not actively traded in the secondary market. Bonds and fixed income ETFs give investors exposure to corporate and/or government bonds and are typically less volatile than equity ETFs.
- 3) Commodity ETFs
 Commodity ETFs often use futures or other derivatives to offer exposure to commodities such as gold, silver and oil. Commodity ETFs may incur higher expenses due to the need to constantly roll over the underlying Futures.
- 4) Currency ETFs
 Currency ETFs tracks specific foreign currencies or a basket of currencies through cash deposits, money market securities and derivatives such as forward currency contracts and swaps.
- 5) Inverse ETFs
 Inverse ETFs, designed to profit from a decline in value from a correlating benchmark, are constructed using various derivatives such as Futures. Inverse ETFs can therefore be used as a hedge for an investment portfolio. Theoretically, shorting an asset contains unlimited risks but the maximum loss on an inverse ETF will be the amount paid for the ETF.

Inverse ETFs are traditionally not long term investments as the underlying derivatives are typically sold and bought back daily. As a result of daily adjustment and more frequent monitoring, higher management fees are often incurred. Moreover, markets typically have an upside bias over the long term, reducing its viability over the long run.

6) Leveraged ETFs

Leverage ETFs uses derivatives and debt to amplify movements of its reference index, either positively or negatively.

Understanding ETF Families

The most popular ETF families include iShares, Vanguard and SPDRs (S&P Depository Receipts). These brands are owned by mutual fund companies. For example, iShares ETFs are marketed and managed by BlackRock, while SPDR ETFs are managed by State Street Global Advisors.

An ETF family can offer funds in various asset classes. For example, iShares Core U.S. Aggregate Bond ETF offer exposure to investment grade U.S bonds. iShares Core S&P 500 ETF tracks the S&P 500 index, offering exposure to large cap U.S equities. And iShares Gold Trust was designed to track the spot price of gold on the London bullion market.

What are the Key Risks that I have to take note of when trading Stocks/ETFs?

Trading of stocks, ETFs and other investment products can carry a high level of risk, and is more suitable for customers with medium to high risk profile. It is important that you understand the possible risks involved in trading Stocks, which include but are not limited to the following:

Stocks	
Equity risk	<ul style="list-style-type: none"> • Equity Price Risks refers to the risk of losses because of adverse movements on the prices of securities. • The market price of a stock moves as a result of supply and demand factors. If demand on a stock outpaces its supply, with all other factors remaining the same, the price of the stock is expected to increase. • Vice versa, if the supply is greater than the demand, we expect the price of the stock to fall. A stock price can fall to zero. In other words, the stock loses its entire value and shareholders will lose their entire investment.
Concentration Risks	<ul style="list-style-type: none"> • Concentration Risks refers to the potential for loss arising from concentration in a single stock, sector and/or geographical region. • For example, if a portfolio only consists of stocks in the tourism sector, it could be excessively exposed in the event of a health pandemic that will negatively impact the price of stocks in the tourism sector.

<p>Liquidity Risks</p>	<ul style="list-style-type: none"> • Liquidity Risks arises when investing into stocks with low trading volume. Liquidity refers to how easily a stock can be bought or sold in the market. • Investors may find it difficult to sell stocks which have poor liquidity and may end up exiting the position at an unfavourable price.
<p>Foreign Exchange Risks</p>	<ul style="list-style-type: none"> • Foreign Exchange Risks occurs from the change in value of one currency in relation to another. • There are several ways foreign exchange volatility can impact total returns. For example, a rising Singapore dollar can negatively impact returns when an investor in Singapore invests in a US dollar denominated stock. • However, a rising Singapore dollar also means an investor in Singapore will need to pay less to make the transaction.
<p>Interest Rate Risks</p>	<ul style="list-style-type: none"> • Interest Rate Risks refers to the potential for loss resulting from a change in interest rates of the country where the stock is domiciled. • An increase in interest rate may not have a direct impact on the stocks but it could see reduced spending from both consumers and businesses. • An increase of interest rates may see more investors turn to other asset classes such as fixed-income securities.

<p style="text-align: center;">ETFs</p>	
<p>Market Risks</p>	<ul style="list-style-type: none"> • While ETFs may be diversified, they are still affected by volatility. It is important to understand the underlying benchmark which the ETF tracks and the associated risks of the related benchmark.
<p>Tracking Error</p>	<ul style="list-style-type: none"> • The price of an ETF can diverge from the value of the index or the asset it was designed to replicate. • Tracking error is the relative risk of the ETF compared to its reference index. High trading costs can negatively impact a fund's performance. • Limitations of positions/shares that can be taken may prevent a fund from achieving full replication, thus causing tracking error.

Foreign Exchange Risks	<ul style="list-style-type: none"> ETFs can provide exposure to international securities and assets which can lead to foreign currency risks.
Liquidity Risks	<ul style="list-style-type: none"> The primary factor to liquidity risk is if an ETF invests in less liquid securities such as emerging market bonds or small-cap companies, it may impact the market maker's ability to create or redeem units which impacts the liquidity of the portfolio. The secondary factor would be the trading volume on the secondary market as ETFs are traded like stocks. If demand of an ETF outpaces its supply, prices will rise, and vice versa.

What is the minimum age to open a stocks account?

You can open an account with Phillip Nova for Stocks trading if you are 18 years old and above. However, trading of other products such as derivatives and forex, requires the minimum age to be at least 21 years old.

Will I need a CDP account to trade stocks on SGX through Phillip Nova?

Phillip Nova offers a pre-paid custodian account to make your trading seamless. You do not need to open a CDP account. Phillip Nova will act as custodian of assets for your stocks purchased with us.

Are the stocks under custody of Phillip Nova safe and secured?

Phillip Nova is a licensed broker with Capital Market Services (CMS) License issued by the Monetary Authority of Singapore (MAS). All stocks and assets held in our custody are subjected to section 104 of Securities and Futures Act (SFA) and the provision of Securities and Futures regulations (SFR) where your assets are kept in a segregated custody accounts and in trust, separate from the company's account. There is strict review and reconciliation process to ensure our customer assets are well accounted for.

Do I have to pay tax of dividends?

Withholding tax of 30% is applicable for dividends distributed from US counters, regardless of your citizenship or country of residence.

Withholding tax is applicable on selected Malaysian counters. Please refer to the [exchange website](#) for more details.

There will be no withholding tax on dividends for Singapore and Hong Kong stocks.

What is a W-8Ben form and its validity?

Form W-8Ben form is an IRS mandated form to collect Non-resident Alien (NRA) tax payer information for individuals for tax reporting purposes.

It has a validity of 3 years commencing from the date of declaration to the last day of the third succeeding calendar year.

Any changes to the information provided in the W8-Ben form will require you to re-submit a new form to certify your tax status.

Do I need to submit Form W-8BEN/ W-8BEN-E to trade stocks on U.S exchanges?

If you are an existing client of Phillip Nova, you may complete the **Form W-8BEN** through our [Client Portal](#) (Account > Form > W-8BEN).

With the exception of US Residents/US Citizens/US Taxpayers/US domiciled companies or partnerships,

Account type	Form
Individual	W-8BEN ✓
Corporate	W-8BEN-E ✓

Click [here](#) to open an account now.

I am new to Phillip Nova. How can I learn about the platform?

You may refer to our Nova platform walkthrough video guide, click [here](#) to see more!

Otherwise, you may schedule an online one to one coaching session with us. Drop us an email via nova_clientrelations@phillip.com.sg.

I wish to learn more about stocks trading. How can I do that?

Head over to our webinar page where we cover topics ranging from beginner guides to the financial markets. Click [here](#) to see more!

I am an existing client with Phillip Securities, will my stocks held with Phillip Securities be reflected on my trading platform with Phillip Nova?

Phillip Securities and Phillip Nova maintained separate accounts. Your stocks portfolio held with Phillip Securities will not be reflected on Phillip Nova.

Do I require any qualifications before I can commence trading in Securities?

You do not require specific qualifications to commence trading in stocks that are listed as Excluded Investment Product (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products).

However, investors ought to be aware of the risks associated with trading stocks.

Risks involved with stocks trading may be found in, but not limited to our:

- 1) Product Information Sheet
- 2) Risk Warning Statement
- 3) Customer Trading Agreement
- 4) Phillip Nova T&Cs

What is a “Force Key” function on SGX? And is it supported by Phillip Nova?

The “Force Key” function on SGX is to protect investors and also minimise the occurrence of error trades arising from the erroneous entry of order prices. Whilst the Force Key is not available on Phillip Nova to submit an order outside the forced order range, the forced order range will still be imposed to serve as a safeguard against the execution of error trades.

The forced order range will be +/- 30 bids from the Last Done Price.

Settlement

How do I calculate the profit and loss of trading stocks and ETFs

Stocks (Profit Illustration)

S/N	Description	Calculation
A	Purchase 500 shares of Company ABC listed on SGX at SGD30.00 each	Equity required: $500 \times \text{SGD}30.00 = \text{SGD}15,000$
B	Commission following purchase of Company ABC shares	Commission payable: $\text{SGD}15,000 \times 0.08\% = \text{SGD}12$
C	Sale of 300 shares of Company ABC at SGD32.00	Profit: $300 \times (\text{SGD} 32.00 - \text{SGD}30.00) = \text{SGD}600$

D	Commission following sale of 300 Company ABC shares	Commission payable: $300 \times \text{SGD}32.00 \times 0.08\% = \text{SGD}7.68$
E	Sale of 200 shares of Company ABC at SGD33.00	Profit: $200 \times (\text{SGD}33.00 - \text{SGD}30.00) = \text{SGD}600$
F	Commission on sale of 200 Company ABC shares	Commission payable: $200 \times \text{SGD}33.00 \times 0.08\% = \text{SGD}5.28$
G	Net Profit	$C + E - B - D - F = \text{SGD}600 + \text{SGD}600 - \text{SGD}12 - \text{SGD}7.68 - \text{SGD}5.28 = \text{SGD}1,175.04$

Stocks (Loss Illustration)

S/N	Description	Calculation
A	Purchase 500 shares of Company ABC listed on SGX at SGD30.00	Equity required: $500 \times \text{SGD}30.00 = \text{SGD}15,000$
B	Commission on purchase of Company ABC shares	Commission payable: $\text{SGD}15,000 \times 0.08\% = \text{SGD}12$
C	Sale of 500 shares on Company ABC at SGD 28.50	Loss: $500 \times (\text{SGD}30.00 - \text{SGD}28.50) = \text{SGD}750$
D	Commission on sale of Company ABC shares	Commission payable: $500 \times \text{SGD}28.50 \times 0.08\% = \text{SGD}11.40$
E	Net Loss	$B + C + D = \text{SGD}12 + \text{SGD}750 + \text{SGD}11.40 = \text{SGD}773.40$

ETF (Profit Illustration)

S/N	Description	Calculation
A	Purchase 500 shares on XYZ ETF listed on NYSE at USD50.00	Equity required: $500 \times \text{USD}50.00 = \text{USD}25,000$
B	Commission on purchase of XYZ ETF shares	Commission payable: $\text{USD}25,000 \times 0.01\% = \text{USD}2.50$ (minimum USD3.88 applies)
C	Sale of 500 shares on XYZ ETF at USD55.00	Profit: $500 \times (\text{USD}55.00 - \text{USD}50.00) = \text{USD}2,500$
D	Commission on sale of XYZ ETF shares	Commission payable: $500 \times \text{USD}55.00 \times 0.01\% = \text{USD}2.75$ (minimum USD3.88 applies)
E	Net Profit	$C - B - D = \text{USD}2,500 - \text{USD}3.88 - \text{USD}3.88 = \text{USD}2,492.24$

ETF (Loss Illustration)

S/N	Description	Calculation
A	Purchase 500 shares on XYZ ETF listed on NYSE at USD50.00 at USD50.00	Equity required: $500 \times \text{USD}50.00 = \text{USD}25,000$
B	Commission on purchase of XYZ ETF shares	Commission payable: $\text{USD}25,000 \times 0.01\% = \text{USD}2.50$ (minimum USD3.88 applies)
C	Sale of 300 shares on XYZ ETF at USD48.00	Loss: $300 \times (\text{USD}50.00 - \text{USD}48.00) = \text{USD}600$
D	Commission on sale of 300 XYZ ETF shares	Commission payable: $300 \times \text{USD}48.00 \times 0.01\% = \text{USD}1.44$ (minimum USD3.88 applies)
E	Sale of 200 shares on XYZ ETF at USD46.00	Loss: $200 \times (\text{USD}50.00 - \text{USD}46.00) = \text{USD}800$
F	Commission on sale of 300 XYZ ETF shares	Commission payable: $200 \times \text{USD}46.00 \times 0.01\% = \text{USD}0.92$ (minimum USD3.88 applies)
G	Net Loss	$B + C + D + E + F = \text{USD}3.88 + \text{USD}600 + \text{USD}3.88 + \text{USD}800 + \text{USD}3.88 = \text{USD}1,411.64$

Note: GST, Exchange and other trading fees are not included in the commission payable for the above illustrations.

When will I receive my proceeds after I sell my stocks?

Your sales proceed will be credited to your account on the due date of the transaction.

What is the methodology adopted for closing positions?

Positions will be closed using a First-in, First-out (FIFO) methodology.

Markets and Trading hours

What are the markets offered?

In addition to existing products such as ETFs and leverage Forex, on Nova, you can now trade cash equities from Singapore (SGX), Malaysia (KLSE), United States (NYSE, AMEX, NASDAQ), Hong Kong (HKEX) markets and Shanghai Stock Exchange (SSE), Shenzhen Stock Exchange (SZSE) through the Hong Kong Stock Connect.

What are the Trading Hours for the respective markets for stocks trading?

SGX

	Normal Day	Half Day Trading
Opening Routine		
Pre-Open	08:30am – 08:58am/08:59am*	08:30am – 08:58am/08:59am*
Non-Cancel	08:58am/08:59am* – 09:00am	08:58am/08:59am* – 09:00am
Trading	09:00am - 12:00pm	09:00am - 12:00pm
Mid-Day Break		
Pre-Open	12:00pm – 12:58pm/12:59pm*	N/A
Non-Cancel	12:58pm/12:59pm* – 01:00pm	N/A
Trading	01:00pm - 05:00pm	N/A
Closing Routine		
Pre-Close	05:00pm – 05:04pm/05:05pm*	12:00pm – 12:04pm/12:05pm*
Non-Cancel	05:04pm/05:05pm* – 05:06pm	12:04pm/12:05pm* – 12:06pm
Trade at Close	05:06pm – 05:16pm	12:06pm – 12:16pm
Close	05:16pm	12:16pm

* Only limit orders are allowed during the Pre-Open / Pre-Close phase which ends randomly at any time within this one-minute window. The Non-Cancel phase begins immediately thereafter.

* The Non-Cancel phase begins immediately after the Pre-Open/Pre-Close phase has ended. Orders are not allowed to be cancelled during this period.

* Trade at Close (TAC) is a ten minutes trading phase commencing immediately after the closing routine. Orders are matched continuously only at the fixed equilibrium price established from the preceding closing auction. Orders can only be completed at the price set during 5:06 - 5:16pm.

KLSE (Bursa)

	Normal Market
1st Session	
Pre-Open	08:30am – 09:00am
Open and Continuous Trading	09:00am – 12:30pm
Closing	12:30pm
Mid-Day Break (Lunch)	
2nd Session	
Pre-Open	02:00pm – 02:30pm
Open and Continuous Trading	02:30pm – 04:45pm
Pre-Closing	04:45pm – 04:50pm
Closing	04:50pm
Trading at Last	04:50pm – 05:00pm

Close	05:00pm
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* All unmatched orders during the first session will be automatically carried forward to the second session and shall be considered as valid for the whole trading day.

* Monday to Friday. Malaysian Time: GMT +8:00

* Bursa Malaysia will issue final announcements on public holiday and trading closure prior to the holidays.

HKEX

	Normal Day	Half Day Trading
Auction Session		
Pre-Open Session	09:00am - 09:30am	
Continuous Trading Session		
Morning Session	09:30am – 12:00pm	
Afternoon Session	01:00pm - 04:00pm	N/A
Closing Auction Session		
Reference Price Fixing Period	04.00pm – 04.01pm	12.00pm – 12.01pm
Order Input Period	04.01pm – 04.06pm	12.01pm – 12.06pm
No Cancellation Period	04.06pm – 04.08pm	12.06pm – 12.08pm
Random Closing Period	04.08pm – 04.10pm	12.08pm – 12.10pm

Note: To participate in pre-opening, orders have to be entered and received before 9:15am. Pre-opening orders will be matched at 9.20am.

NYSE, AMEX, NASDAQ

	Eastern Standard Timing (EST)	Singapore timing (Daylight)	Singapore timing (Non-Daylight)
Pre-Market Trading Session	07:00am - 09:30am	07:00pm - 09:30pm	08:00pm - 10:30pm
Regular Market Trading Session	09:30am - 04:00pm	09:30pm - 04:00am	10:30pm - 05:00am

What is Extended-Hours Trading Sessions for US stocks

Extended-hours trading sessions include pre and post-market sessions.

Pre-market trading of US stocks occurs between 0700 to 0930 Eastern Standard Time (ET), before the regular trading session. Pre-market trading is available for NASDAQ, NYSE and AMEX. Unlike regular trading sessions which represents the best available price consolidated from all trading venues, pre-market trades via an Electronic Communication Networks (ECN). It is also important to note that prices displayed on 2 different systems on the same stocks may be different if they are on separate ECNs. Orders on separate ECNs will not be matched against each other.

Price movement and trading volume during pre-market trading may be used as an indicator of the strength and direction in the later regular trading session.

Economic indicators, news stories and corporate actions announced before the regular trading session may cause price volatility resulting in price gaps from the prior session's closing price. Therefore, access to the pre-market can better enable traders to manage price risk or take advantage of price volatility.

Note: Post-market session is currently unavailable for trading on Phillip Nova.

What are the risks involved in trading during Extended-Hours Sessions for US stocks?

Risks	Remarks
Lower Liquidity	During extended-hours trading, there may be a lower trading volume as compared to regular trading hours. Some stocks may not trade at all during extended-hours trading. Poorer liquidity could also mean wider spreads on the bid and ask prices. Hence, the lack of liquidity could result in inferior prices and a higher possibility of orders being only partially executed or not at all.
Greater Price Volatility	Price volatility may be exacerbated during extended-hours trading. Economic indicators, news and corporate actions may have a greater impact on prices.
Price uncertainty	Trades executed during extended-hours trading may not reflect the actual price of the same security during regular trading hours.

Trading the Shanghai and Shenzhen-Hong Kong Stock Connect

What is the Shanghai and Shenzhen-Hong Kong Stock Connect?

Shanghai and Shenzhen-Hong Kong Stock Connect is a joint project between the Shanghai Stock Exchange (SSE), Shenzhen Stock Exchange (SZSE) and the Stock Exchange of Hong Kong Limited (SEHK), allowing investors to trade cross-border into specific stocks listed in the other's market.

The Northbound trading link allows overseas investors to trade China 'A' shares in the SSE and SZSE.

Who is eligible to trade in the Shanghai and Shenzhen-Hong Kong Stock Connect?

With the exception of mainland China investors, Phillip Nova clients who are 18 years old and above are allowed to trade eligible SSE and SZSE securities through the Hong Kong Stock Connect.

The Customer Account Review (CAR) is not required before trading stocks on SSE and SZSE. However, it is required for trading ETFs on them.

Are mainland China investors allowed to participate in the Shanghai and Shenzhen-Hong Kong Stock Connect?

No, mainland China investors are not allowed to participate in the Shanghai and Shenzhen-Hong Kong Stock Connect with the issuance of a circular issued by the Hong Kong Exchange (HKEX), banning of Mainland China investors from Northbound trading, effective on 25 July 2022.

Mainland China investors include,

1. Individuals that possess mainland China ID documents; or
2. Holders of a joint account if one of the holders is considered as mainland China investor under (a); or
3. Corporate or unincorporated entities which are registered in mainland China.

For more detailed information, please refer to HKEX's circular [here](#).

How do I trade in the Shanghai and Shenzhen-Hong Kong Stock Connect?

You will need a Phillip Nova trading account to trade SSE and SZSE securities through the Hong Kong Stock Connect.

Which China A-shares can I trade?

A-shares (shares in mainland China-based companies that trade on Chinese stock exchange) that are,

1. Index constituents of the SSE 180 Index, SSE 380 Index, SZSE Main Index and SZSE SME Index,
2. Dual-listed on both SSE/SZSE and SEHK

The shares must also be denominated in RMB and not included in “Risk Alert Board”.

Investors will not be allowed to buy the share, but will only be allowed to sell it in the event a stock subsequently:

- Ceases to be a constituent stock, or
- is added to “Risk Alert Board”, or
- its ‘H’ Share cease to trade on HKEX;

In addition, Phillip Nova reserves the right to include or remove any securities from its trading platforms.

What are the trading hours for Shanghai and Shenzhen-Hong Kong Stock Connect?

	SSE/SZSE Trading Hours	Time for Exchange Participants to input Northbound orders
Opening Call Auction	09:15 am – 09:25 am	09:10 am – 11:30 am
Continuous Auction (Morning)	09:30 am – 11:30 am	
Continuous Auction (Afternoon)	01:00 pm – 02:57 pm	12:55 pm – 03:00 pm
Closing Call Auction	02:57 pm – 03:00 pm	

*Orders that are not executed during the opening call auction session will automatically enter the continuous auction session.

Time Period	Remarks
09:20 am – 09:25 am	SSE/SZSE will not accept order cancellation
02:57 pm – 03:00 pm	SSE/SZSE will not accept order cancellation
09:10 am – 09:15 am 09:25 am – 09:30 am 12:55 pm – 01:00 pm	Orders and order cancellations can be accepted by SEHK but will not be processed by SSE/SZSE until SSE’s and SZSE’s market open.

Are live prices available for Shanghai and Shenzhen-Hong Kong Stock Connect?

Only delayed L1 market data for SSE and SZSE will be available. The delayed market is on a time lag that is usually 15 minutes behind real-time quotes.

Do I have to subscribe and pay for market data for the Shanghai and Shenzhen-Hong Kong Stock Connect?

There are no charges currently for delayed market data on SSE and SZSE. Please refer to market data subscription access in our [Client Portal](#) for more information.

Phillip Nova reserves the right to change any market data fees without prior notice.

What is the board lot size for securities on the Shanghai and Shenzhen-Hong Kong Stock Connect?

Both buy and sell orders must be placed in multiples of 100 shares.

What order types are allowed on Shanghai and Shenzhen-Hong Kong Stock Connect?

Only limit orders are allowed.

Is intraday trading allowed on the Shanghai and Shenzhen-Hong Kong Stock Connect?

No, intraday trading is not allowed. Securities purchased today cannot be sold until the next available trading day.

What is the Quota Control Mechanism?

Trading under the Shanghai and Shenzhen-Hong Kong Stock Connect is subject to a Daily Quota which is applied on a “net buy” basis. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shanghai and Shenzhen-Hong Kong Stock Connect each day.

Sell orders are always allowed regardless of quota balance

If the Northbound Daily Quota Balance drops to zero or if the Daily Quota is exceeded during the opening call auction session, new buy orders will be rejected. However, as order

cancellation is common during opening call auction, the Northbound Daily Quota Balance may resume to a positive level before the end of the opening call auction. When that happens, SEHK will again accept Northbound buy orders.

If the Northbound Daily Quota Balance drops to zero or if the Daily Quota is exceeded during a continuous auction session, no further buy orders will be accepted for the remainder of the day. It should be noted that buy orders already accepted will not be affected by the Daily Quota being used up and will remain on the order book of SSE and SZSE respectively unless otherwise cancelled by relevant SEHK Participants.

What is the commission and exchange fees for trading Shanghai and Shenzhen-Hong Kong Stock Connect?

Commission

Exchange	Commission (Online)	Commission (Call-In Trades)
China A	0.08% (minimum of CNH50 per order)	0.18% (minimum of CNH88 per order)

Exchange Fees

Exchange	Type	Charges	Charged By
China A	Handling Fee	0.00487% of trade value	SSE / SZSE
	Security Management Fee	0.002% of trade value	CSRC (China Securities Regulatory Commission)
	Transfer Fee	0.001% of trade value	ChinaClear Shanghai / ChinaClear Shenzhen
		0.002% of trade value	HKSCC (Hong Kong Securities Clearing Company)
	Stamp Duty (Sell only)	0.1% of trade value	SAT (State Administration of Taxation)
	Daily Portfolio Fee	0.008% per annum of portfolio value	HKSCC

Daily Portfolio Fee = [Closing price of Securities of the day x number of shares] *converted into Hong Kong Dollar Equivalent* x 0.008% /365

The Daily Portfolio Fee will be accrued daily and collected on a monthly basis in SGD equivalent

Are securities on the Shanghai and Shenzhen-Hong Kong Stock Connect quoted in CNH or CNY?

Securities are quoted in CNY but are settled in CNH.

Do I need CNH excess before trading in the Shanghai and Shenzhen-Hong Kong Stock Connect?

Our account is a multi-currency account for the ease of your trading and managing your foreign currencies. You will be able to purchase a foreign currency stock as long as you have sufficient excess funds in your account. To avoid interest charges, conversion can be done easily after the purchase through our Client Portal or through the Philip Nova app to cover the deficit in your foreign currencies.

How do I convert my funds into CNH for trading?

Conversions can be done easily through our [Client Portal](#)

Can I deposit funds in CNH?

Yes, you may deposit funds in CNH. Please visit funds deposit and withdrawal FAQs [here](#).

Can I withdraw my funds in CNH?

Yes, you may withdraw funds in CNH. Please visit funds deposit and withdrawal FAQs [here](#).

Can I trade in the Shanghai and Shenzhen-Hong Kong Stock Connect when SEHK is closed due to a holiday?

No, Northbound trading will not be available. You may refer [here](#) for more information.

Can I participate in Initial Public Offerings (IPOs) in SSE/SZSE through Shanghai and Shenzhen-Hong Kong Stock Connect?

No, IPOs are currently not supported.

Can I do short selling, margin financing and stock borrowing & lending on SSE/SZSE Securities?

No, these facilities are not available currently.

Does SSE/SZSE price limit apply under the Shanghai and Shenzhen-Hong Kong Stock Connect?

Yes. For SSE/SZSE Securities, there is a general price limit of a $\pm 10\%$ based on previous closing price.

For securities under special treatment in the risk alert board (i.e. ST and *ST stocks), a $\pm 5\%$ price limit applies.

All orders input for SSE/SZSE Securities must be within the price limit. Any orders with price beyond the price limit will be rejected by SSE/SZSE. The upper and lower price limit will remain the same intra-day.

Note:

- a) *ST stocks refers to stocks that have been resumed from suspension for listing; or stocks that have been relisted; or stocks that have suffered from other significant risks.*
- b) **ST stocks refers to stocks with the risks of being delisted.*

Are there any disclosure obligations for trading SSE/SZSE-listed Shares?

Yes. Any investors holding or controlling shares amounting to more than 5% from the same issuer must disclose his interest within 3 working days. During which, the said investor cannot buy nor sell the shares until the interest is made known.

What happens during severe weather conditions in Shenzhen, Shanghai or HK?

Should Shenzhen, Shanghai or Hong Kong announce suspension of market due to severe weather (i.e. Typhoon Signal above 8 and/or Black rainstorm), no trading will take place until an official announcement for resumption of trading. Please refer to [Shenzhen](#), [Shanghai](#) or [Hong Kong Stock](#) exchange for any announcements on market suspension on the day.

Will I be able to amalgamate my trades on SSE/SZSE?

Yes, trades and commission will be amalgamated.

Order Types

What are the Order Types available on Phillip Nova

Exchange	Market Day	Limit Day	Stop Limit
SGX		✓	
NYSE	✓	✓	✓
AMEX	✓	✓	✓
NASDAQ	✓	✓	✓
HKEX		✓	
KLSE		✓	
SZSE		✓	
SSE		✓	

Is contra trading allowed?

Contra is currently not available. We offer a pre-paid account type, so you can purchase the stocks you desire with the available excess funds in your account.

Can commission be amalgamated?

Commission amalgamation is currently not available. Commissions are levied based on each transaction made.

Please note that each partial fill is considered a transaction and full commission is imposed on each partial execution.

Can I amend the volume or price of my working orders in stocks?

You can cancel your working order and input a new order with the volume or price that you desire.

Fees & Charges

What are the Commission charges?

Exchange	Commission (Online)
Singapore (SGX)	0.08%, no minimum per transaction
United States (NYSE, AMEX, NASDAQ)	0.01%, with minimum USD3.88 per order

Hong Kong (HKEX)	0.08%, with minimum HKD28 per order 0.08%, with minimum USD3.80 per order 0.08%, with minimum CNH23 per order
China A (SSE, SZSE)	0.08% (minimum of CNH50 per order)
Malaysia (KLSE)	0.08%, with minimum MYR18 per order 0.08%, with minimum USD4.50 per order

Simple Example

SGX

S/N	Description	Calculation
A	Purchase 500 shares on AAA at SGD 10	Equity required: $500 \times \text{SGD}10 = \text{SGD}5,000$
B	Commission on purchase on AAA shares	Commission payable: $\text{SGD}5,000 \times 0.08\% = \text{SGD}4$.
C	GST Levied on Commission	GST payable: $9\% \times \text{SGD}4 = \text{SGD}0.36$
D	Total Amount = A + B + C	Amount payable: $\text{SGD}5,000 + \text{SGD}4 + \text{SGD}0.36 = \text{SGD}5004.36$

NYSE, AMEX, NASDAQ

S/N	Description	Calculation
E	Purchase 500 shares on BBB at USD 50	Equity required: $500 \times \text{USD}50 = \text{USD}25,000$
F	Commission on purchase on BBB shares	Commission payable: $\text{USD}25,000 \times 0.01\% = \text{USD}2.50$ Minimum Commission of USD3.88 will be charged instead.
G	GST Levied on Commission	GST payable: $9\% \times \text{USD}2.50 = \text{USD}0.225$
H	Total Amount = E + F + G	Amount payable: $\text{USD}25,000 + \text{USD}3.88 + \text{USD}0.225 = \text{USD}25,004.11$

HKEX

S/N	Description	Calculation
I	Purchase 400 shares on CCC at HKD 100	Equity required: $400 \times \text{HKD}100 = \text{HKD}40,000$
J	Commission on purchase on CCC shares	Commission payable: $\text{HKD}40,000 \times 0.08\% = \text{HKD}32$
K	GST Levied on Commission	GST payable: $9\% \times \text{HKD}32 = \text{HKD}2.88$
L	Total Amount = I + J + K	Amount payable: $\text{HKD}40,000 + \text{HKD}32 + \text{HKD}2.88 = \text{HKD}40,034.88$

KLSE

S/N	Description	Calculation
A	Purchase 500 shares on DDD at MYR 10	Equity required: $500 \times \text{MYR}10 = \text{MYR}5,000$
B	Commission on purchase on DDD shares	Commission payable: $\text{MYR}5,000 \times 0.08\% = \text{MYR}4.$
C	GST Levied on Commission	GST payable: $7\% \times \text{MYR}4 = \text{MYR}0.28$
D	Total Amount = A + B + C	Amount payable: $\text{MYR}5,000 + \text{MYR}4 + \text{MYR}0.28 = \text{MYR}5004.28$

Note: GST, Exchange and other trading fees are not included in the above illustration. You may refer below for details on exchange fee and other trading charges

What are the Exchanges Fees and other trading charges?

Exchange	Type	Charges	Charged By
Singapore (SGX)	Clearing Fee	0.0325% of trade value	SGX
	Trading Fee	0.0075% of trade value	SGX
	Settlement Instruction (SI) Fee	SGD 0.35 per counter per direction (Buy/Sell)	SGX

Exchange	Type	Charges	Charged By
United States (NYSE, AMEX, NASDAQ)	SEC Membership Fee (Sell only)	0.00278% of trade value	SEC (U.S. Securities and Exchange Commission)
	Trading Activity Fee (Sell only)	USD0.000166 per share, max USD8.30	FINRA (Financial Industry Regulatory Authority)
	ADR (American Depositary Receipt) Fee	USD0.01 – 0.05 per share	DTCC (U.S. Depository Trust & Clearing Corporation)

Note: ADR fees are charged by the DTCC. These are service fees charged periodically to compensate the agent bank for the provision of custodial services. More details on any such fees should be available on the ADR prospectus.

Exchange	Type	Charges	Charged By
Hong Kong (HKEX)	Trading Fee	0.00565%, of trade value	HKEX (Hong Kong Exchange)
	Transaction Levy + FRC Transaction Levy	0.00285% of trade value	SFC (Hong Kong Securities & Exchange Commission)

			Futures Commission)
	Clearing Fee	0.002% of trade value (Min HKD2, Max HKD100 per Order)	HKSCC (Hong Kong Exchanges & Clearing Limited)
	Stamp Duty	0.13% of trade value	Government of Hong Kong

Exchange	Type	Charges	Charged By
Malaysia (KLSE)	Stamp Duty	MYR1.50 for every MYR1,000 in contract value (capped at MYR1,000)	KLSE
	Foreign Fee	0.03% (rounded up to nearest sen, capped at MYR1,000 per contract)	KLSE

Will there be platform fees?

You do not need to pay platform fees for your account. This will help you maximise your trading returns with us.

Will I incur custody fees for this account?

You do not need to pay for custody fees for your account. This will help you maximise your trading returns with us.

In the event where changes are made to the fees, the revised terms and conditions will be posted on this FAQ or on the Phillip Nova website.

Will there be market data charges for Securities?

There are market data charges for trading stocks on certain exchanges. Please refer to market data subscription access in our [Client Portal](#) for more information.

Will there be any inactivity fees?

You will not be charged inactivity fees for the account

Buying and Selling Stocks/ETFs

When do I have to pay for the stocks purchased?

The Phillip Nova account used for stocks trading is a pre-paid cash account. You may purchase any stocks with the available funds in the account.

Am I able to purchase Securities through CPFIS-OA/ SRS?

We offer a pre-paid account and will not facilitate trading with CPFIS-OA/SPO

Am I allowed to trade with the excess funds even before previous sales have been settled?

Profits and losses are realised when positions have been closed and you will be able to make new purchases after the funds have been released.

The proceeds from the previous sale will be released after the sale is settled. You can then make new purchases thereafter.

Can I make a withdrawal of funds after selling my Stock/ETF?

You can withdraw your funds after the settlement of the sale of the stock and/or ETF

Is short selling allowed?

You are unable to short sell stocks on Phillip Nova. However, if you are bearish on certain shares, you can short it on the CFD market available on [Phillip MT5 or Phillip Nova](#).

Is shares financing available?

Share financing is unavailable at this moment.

Can I trade odd lots or fractional shares?

Odd lots or fractional shares are currently unavailable on Phillip Nova.

If you have odd lots resulting from corporate actions, you may call our Dealing Desk (6535 1155) to liquidate them.

Allocated shares will be rounded down to the nearest whole number. As such, you would be unable to receive fractional shares from corporate actions.

Will I receive a margin call for Securities?

There will be no margin calls if there are only stocks in your account as it is a non-leveraged instrument, and the notional value is paid up in full upon purchase.

I have an existing Phillip Nova trading platform. Do I have to do additional steps to trade stocks?

As a Phillip Nova client, you will automatically be given access to the stocks trading module. For US and Hong Kong markets, you will need to login into Client portal to acknowledge the **Form W-8BEN** and apply for market data access.

I have an existing POEMS account. Can I still trade stocks through Phillip Nova?

Yes, you can still trade stocks through Phillip Nova. However, the stocks purchased will be held in a separate account from POEMS as Phillip Nova and Phillip Securities are two separate entities.

If I hold a portfolio which consists of various asset classes that includes stocks and leverage products such as exchange traded futures and OTC derivatives (futures, options, leverage forex and CFDs), will my stocks be liquidated in the event of low equity or to meet margin call requirements?

Positions in stocks will not be liquidated in the event of low equity or to meet any margin call requirements. Only leverage positions held in exchange traded futures and OTCD products (futures/options/spot forex/CFDs) will be liquidated when your account falls into low equity status or fail to meet margin call requirements.

Will I be able to buy stocks with unrealised profit from open positions in leverage products such as exchange traded futures and OTC derivatives (futures, options, leverage forex and CFDs)?

Yes, you will be able to purchase Securities with unrealised profit from open positions in leverage products.

Will I be able to trade in leverage products such as exchange traded futures and OTC derivatives (futures, options, leverage forex and CFDs) with unrealised profit from my stocks portfolio?

You are unable to trade other leverage products with the unrealized profit from the positions held in stocks.

On Phillip Nova, am I able to differentiate the realised and unrealised Profit & Loss (P&L) between my holdings in stocks and leverage products such as exchange traded futures and OTC derivatives (futures, options, leverage forex and CFDs)?

Yes, on Phillip Nova, unrealised P&L will be separated for stocks and derivatives.

Unrealised P&L for stocks can be found under the tab - Unrealised P&L (Non-Leveraged).

Unrealised P&L for derivatives can be found under the tab - Unrealised P&L (Leveraged).

There will not be any tab for realised P&L for stocks as any realised P&L will be calculated under Net Sales Proceed.

On Phillip Nova, am I able to identify the amount that I have paid for my holdings in stocks?

For stocks bought intra-day, the amount paid will be calculated under Net Sales Proceed.

For stocks bought before the current trading day, the amount paid will be deducted from Account Balance.

On Phillip Nova, am I able to identify the current valuation of my holdings in stocks?

Yes, under the tab Total Share Value, you will be able to view the valuation of your holdings in stocks in real-time. Mark to market of your holdings will be done against the last traded price of the respective security.

Can I buy stocks denominated in a foreign currency that I do not currently hold?

Our account is a multi-currency account for the ease of your trading and managing your foreign currencies. You will be able to purchase a foreign currency stock as long as you have sufficient excess funds in your account. To avoid interest charge, conversion can be done easily after

the purchase through our [Client Portal](#) or through the Philip Nova app to cover the deficit in your foreign currencies.

Can I sell stocks in my Phillip Nova account through another stockbroker?

The stocks which you bought through Phillip Nova can only be sold through Phillip Nova as we are the custody to your holdings of the stocks.

If you wish to sell it through another stockbroker, you can transfer custody of your security holdings to your individual CDP account or custodian account of another stockbroker.

Will I be able to transfer stocks in or out to another broker?

Yes, transfer of stocks in and out to another broker can be facilitated but will be subjected to the review of Phillip Nova.

Please contact your account manager, or the Client Service Desk at (65) 65380500 or email nova@phillip.com.sg for more information.

Will I be able to transfer stocks to my CDP account?

Yes, transfer of stocks between Phillip Nova and your CDP account can be facilitated but is subjected to the review and approval of Phillip Nova.

Please contact your account manager, or the Client Service Desk at (65) 65380500 or email nova@phillip.com.sg for more information.

If I am an existing client of Phillip Nova, what do I have to do to trade stocks?

Stocks trading is only offered on Phillip Nova.

If you are an existing client of Phillip Nova and you have a Phillip Nova trading account, you will be given access to Singapore Exchange by default. Malaysia Exchange and Hong Kong Exchange is available on a subscription basis. Should you wish to trade U.S Securities, you will need to complete the **Form W-8BEN** through our [Client Portal](#) (Account > Form > W-8BEN).

If you are an existing client of Phillip Nova but do not have a Phillip Nova trading account, please contact your account manager, or the Client Service Desk at (65) 65380500 or email nova@phillip.com.sg to learn how you can begin trading stocks.

Will there be any trading limits imposed on my trading account?

There is no trading limits imposed on stocks trading as it is a non leverage product. However, a maximum order size of USD1 million notional value will apply.

Should you wish to request for an increase of limits, please contact your account manager, or the Client Service Desk at (65) 65380500 or email nova@phillip.com.sg.

IPO Online Subscription

Will I be able to apply for Initial Public Offering (IPO) through Phillip Nova?

IPO application is currently unavailable.

Corporate Actions

Will I be entitled to the rights of corporate actions with this account?

You will be accorded the same corporate actions, such as dividends and rights subscriptions, with this account.

What are the corporate actions and will I be informed?

Corporate actions can be differentiated into mandatory or voluntary events.

Mandatory corporate actions

Events initiated by the board of directors of the corporation that affects all shareholders. Examples of mandatory corporate actions include but are not limited to cash dividends, bonus issue and stock splits/consolidations.

Phillip Nova will send notifications to customers holding positions in securities to inform of expected events. No acknowledgement is required.

Voluntary corporate actions

Events where shareholders are given the option to elect or participate in the action. Examples of voluntary corporate actions include but are not limited to rights issue and share buyback.

Phillip Nova will review the event or offer. A notification will be sent to inform customers of their entitlement from the securities held. Customers will need to reply to the email should they

elect to participate in the event. Should the event not be supported by Phillip Nova, customers will be notified of the alternate course of action.

If there are insufficient funds in the customer's account to subscribe or participate in an event, the application will be rejected.

Customers may rescind their subscription or application for an event before the application deadline stipulated by Phillip Nova.

Electing to participate in event does not constitute to a successful application. Should subscriptions or applications for any corporate actions be unsuccessful, customers will be notified via email.

Phillip Nova is not obliged to notify or make available all or any company announcements, corporate actions and/or notices in relation to the securities that are held with us.

All information is disseminated on a best-effort basis and Phillip Nova cannot guarantee the timeliness nor accuracy of the company announcements, corporate actions and/or notices made.

Types of corporate action events

Cash Dividends

A Cash Dividend is a cash payment to the shareholders from the company's profits or retained earnings. The frequency and amount will depend on the company's performance. If you hold a stock to its ex-dividend date, you will be entitled to the cash dividends after payment date.

Bonus Issue

A Bonus Issue is an issuance of bonus shares by a company to entitled shareholders. If you hold a stock to its ex-bonus date, you will be entitled to the bonus issue after payment date.

Shares Consolidation

A Shares Consolidation, or a Reverse Stock Split, reduces the number of shares held by existing shareholders. The share price will increase proportionally. If you hold a stock to its effective date of consolidation, your positions and average traded price will be adjusted to reflect the consolidation. Adjustments for exchanges operating in the Asian time zone will be made after the close of trading, one trading day prior to effective date of consolidation. Adjustments for AMEX, NASDAQ and NYSE will be made before the commencement of trading on the effective date of consolidation.

Following a consolidation, if the adjustments have been made before the commencement of trading of the share, the "Unrealised P&L (Non-Leveraged)" indicator may reflect a reduced

amount on Phillip Nova. This is a result of the mark to market of the adjusted average traded price against the pre-consolidation share price. This will not have an impact on the account balance as the unrealised Profit and Loss (P&L) for stocks will not be added or removed from it.

Stock Split

A Stock Split increases the number of shares held by existing shareholders. The share price will be divided proportionally.

If you hold a stock to its effective date of the split, your positions and average traded price will be adjusted to reflect the split. Adjustments for exchanges operating in the Asian time zone will be made after the close of trading, one trading day prior to effective date of the split. Adjustments for AMEX, NASDAQ and NYSE will be made before the commencement of trading on the effective date of the split.

Following a split, after adjustments have been made but before the commencement of trading of the share, the “Unrealised P&L (Non-Leveraged)” indicator may reflect an inflated amount on Phillip Nova. This is a result of the mark to market of the adjusted average traded price against the pre-consolidation share price. This will not have an impact on the account balance as the unrealised P&L for stocks will not be added or removed from it.

Rights Issue

A Rights Issue is an offering to existing shareholders by a company to purchase additional shares/warrants in proportion to their existing holdings, usually at a subscription price which is discounted relative to the current market price.

If the rights are renounceable, they may be tradable for a short period of time.

Shareholders will be allowed to exercise the rights. Rights that are unexercised by the deadline stipulated by Phillip Nova, shall be deemed to have lapsed.

Phillip Nova reserves the right to enable trading of renounceable rights.

[Will I be able to attend shareholders' meetings for companies listed on SGX?](#)

Stocks bought through Phillip Nova are held in a custodian account. As such, shareholder meetings would be unavailable.

[Will I be able to select the currency to receive my dividend in?](#)

You will receive dividends in the currency which has been allocated by the distributing stocks.

Can I appoint a proxy to attend shareholders' meetings for companies listed on SGX?

Stocks bought through Phillip Nova are held in a custodian account. As such, attendance of shareholders' meetings would be unavailable.

Will I be able to trade rights, warrants and bonds in the secondary market?

Phillip Nova will review stocks to be listed for trading on Phillip Nova.

If rights, warrants and bonds are allocated as a result of corporate actions but are not available for trading on Phillip Nova, you may call our dealing desk at 6535-1155 to liquidate them. Do note that only liquidation orders will be accepted in such a scenario.

Phillip Nova reserves the right to enable trading of selected stocks on Phillip Nova.

Will corporate action fees be charged?

Phillip Nova does not charge Corporate Action processing fees. However, counterparty / exchange charges relating from corporate actions will be passed on to clients.

Exchange / counterparty charges may change from time to time and Phillip Nova reserve the discretion to pass on these fees charged to clients at any time without prior notice

Dividend	Dividend Charges
Cash Dividend	1% on net dividend subject to a minimum of SGD1.07 and capped at S\$53.50 (inclusive of GST)

Cash dividends will be distributed in its declared currency unless otherwise determined by the issuer or Phillip Nova.

Dividends are subject to tax at source. Tax rates vary according to the respective country's tax rates.

Other Types of Actions	Cash Offer, Rights Issue, Privatisation Exercise, Merger & Exchange, Liquidation, Redemption of Warrant/Bonds, Capital Distribution, Tender Sales, Warrant Conversion
Fees and charges	SGD10.70 (inclusive of GST) + Foreign broker fees and tax (if applicable)

Where can I find out more on corporate actions for the different markets?

More information for the various exchanges can be found in the links below.

SGX	https://www.sgx.com/securities/corporate-actions
HKEX	https://www.hkexnews.hk/index.htm
NASDAQ	https://www.nasdaq.com/market-activity/stock-splits https://www.nasdaq.com/market-activity/dividends
NYSE / AMEX	https://www.nyse.com/ex-date-dividends
KLSE	https://www.bursamalaysia.com/market_information/announcements/entitlement_by_ex_date