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SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES
(EXEMPTION FROM REQUIREMENT
TO HOLD REPRESENTATIVE'S LICENCE)
REGULATIONS 2009

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation and commencement
2. Definitions
3. Exemption from section 83(1) of Act

In exercise of the powers conferred by sections 83(2)(b) and 337(1) of the Securities and Futures Act, the Monetary Authority of Singapore hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Securities and Futures (Exemption from Requirement to Hold Representative's Licence) Regulations 2009 and shall come into operation on 16th February 2009.

Definitions

2. In these Regulations, unless the context otherwise requires —
- “extended settlement contract” means a marginable futures contract on an underlying financial instrument listed on the Singapore Exchange Securities Trading Limited;
 - “marginable futures contract” means a futures contract approved for listing on the Singapore Exchange Securities Trading Limited and which is subject to margin requirements;
 - “structured warrant” means an instrument listed for quotation on the Singapore Exchange Securities Trading Limited and issued

by a financial institution on an underlying financial instrument which gives the holder of the instrument the right —

- (a) to purchase from, or sell to, the financial institution that underlying financial instrument in accordance with the terms of issue of the instrument; or
- (b) to receive from the financial institution a cash payment calculated by reference to the fluctuations in value or price of that underlying financial instrument in accordance with the terms of issue of the instrument;

“underlying financial instrument” —

- (a) in relation to an extended settlement contract, means securities or an index of securities; and
- (b) in relation to a structured warrant, means —
 - (i) foreign exchange, interest rate, gold or any produce, item, goods or article, and includes an index of such foreign exchange, interest rate, gold, produce, item, goods or article; or
 - (ii) an index of futures contracts in respect of foreign exchange, interest rate, gold or any produce, item, goods or article.

Exemption from section 83(1) of Act

3.—(1) The holder of a representative’s licence to deal in securities and whose principal holds a capital markets services licence to trade in futures contracts shall be exempted from the requirement under section 83(1) of the Act to hold a representative’s licence to trade in futures contracts —

- (a) if, and only if, he trades only in extended settlement contracts and he complies with the conditions specified in paragraph (2);
- (b) if, and only if, he trades only in structured warrants and he complies with the conditions specified in paragraph (3); or
- (c) if, and only if, he trades only in extended settlement contracts and structured warrants and he complies with —
 - (i) the conditions specified in paragraph (2) in respect of his trades in extended settlement contracts; and
 - (ii) the conditions specified in paragraph (3) in respect of his trades in structured warrants.

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- (2) The exemption granted to a person under paragraph (1)(a) or (c)(i) shall be subject to the following conditions:
- (a) the person satisfies such examination requirements in respect of extended settlement contracts as may be specified by the Authority by notice in writing;
 - (b) the person shall —
 - (i) maintain, in the form as set out in the Authority’s Internet website <http://www.mas.gov.sg> (under “Regulations and Licensing”, “Securities, Futures and Fund Management”), a register of his interests in extended settlement contracts;
 - (ii) enter in the register referred to in sub-paragraph (i), within 7 days after the date that he acquires any interest in extended settlement contracts, particulars of the extended settlement contracts in which he has an interest and particulars of his interest in those extended settlement contracts; and
 - (iii) retain that entry in an easily accessible form for a period of not less than 5 years after the date on which such entry is first made;
 - (c) where there is a change in any interest in extended settlement contracts of the person, the person shall —
 - (i) enter in the register referred to in sub-paragraph (b)(i), within 7 days after the date of the change, particulars of the change including the date of the change and the circumstances by reason of which the change has occurred; and
 - (ii) retain that entry in an easily accessible form for a period of not less than 5 years after the date on which such entry is first made;
 - (d) the person shall keep the register referred to in sub-paragraph (b)(i) at his principal place of business; and
 - (e) the person shall produce the register referred to in sub-paragraph (b)(i) for inspection by the Authority when required to do so and allow the Authority to make a copy of, or take extracts from, the register.

(3) The exemption granted to a person under paragraph (1)(b) or (c)(ii) shall be subject to the following conditions:

- (a) the person —
 - (i) acquires knowledge in relation to structured warrants;
 - (ii) undergoes continuing education to keep abreast of developments in relation to structured warrants; and
 - (iii) where relevant, acquires new skills and knowledge necessary or applicable to the trading of structured warrants;
- (b) the person shall —
 - (i) maintain a register of his interests in structured warrants;
 - (ii) enter in the register referred to in sub-paragraph (i), within 7 days after the date that he acquires any interest in structured warrants, particulars of the structured warrants in which he has an interest and particulars of his interest in those structured warrants; and
 - (iii) retain that entry in an easily accessible form for a period of not less than 5 years after the date on which such entry is first made;
- (c) where there is a change in any interest in structured warrants of the person, the person shall —
 - (i) enter in the register referred to in sub-paragraph (b)(i), within 7 days after the date of the change, particulars of the change including the date of the change and the circumstances by reason of which the change has occurred; and
 - (ii) retain that entry in an easily accessible form for a period of not less than 5 years after the date on which such entry is first made;
- (d) the person shall keep the register referred to in sub-paragraph (b)(i) at his principal place of business; and
- (e) the person shall produce the register referred to in sub-paragraph (b)(i) for inspection by the Authority when required to do so and allow the Authority to make a copy of, or take extracts from, the register.

Made this 2nd day of February 2009.

HENG SWEE KEAT
Managing Director,
Monetary Authority of Singapore.

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