

SECURITIES AND FUTURES ACT
(CAP. 289)

SECURITIES AND FUTURES (MARKETS)
REGULATIONS 2005

REGULATION 6(2)

**APPLICATION FOR EXEMPTION FROM THE
REQUIREMENT TO BE AN APPROVED
EXCHANGE OR A RECOGNISED MARKET
OPERATOR**

FORM

4

Explanatory Notes

1. Please read the explanatory notes and questions carefully before completing the application form.
2. All questions must be answered. If a question is not applicable, please mark "N.A." in the space provided. Should there be insufficient space for your answers, please attach annex(es) which should be identified as such and signed by the signatories to this application.
3. Where there is an asterisk (*), please delete whichever is inapplicable.
4. Please tick (✓) in the relevant boxes where appropriate.
5. If there are any changes in the information furnished in the application prior to the completion of the review of this application, the Monetary Authority of Singapore ("the Authority") should be notified immediately.
6. This application form is to be signed by 2 directors or a director and the secretary of the applicant, and must be accompanied by the relevant documents requested in the various parts of this application.
7. This application must be accompanied by the following:
 - (i) certified true copies of the applicant's articles and memorandum of association, certificate of incorporation and constitution with all subsequent amendments;
 - (ii) certified true copies of the applicant's business rules and listing rules (if applicable); and
 - (iii) a Singapore dollar cheque or Singapore dollar bank draft made out to "Monetary Authority of Singapore" for the non-refundable application fee prescribed under regulation 4 of the Securities and Futures (Markets) Regulations 2005.

I. NAME OF APPLICANT

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Application is hereby made for exemption from the requirement to be an approved exchange or a recognised market operator under section 14(1) of the Securities and Futures Act (Cap. 289).

II. INFORMATION ON THE APPLICANT

1. Provide the following corporate information:

(a) address, telephone number and facsimile number of the principal place at which the business of the applicant is/is to be* carried on:

(b) e-mail address and URL of the applicant's internet web page (if applicable):

(c) registered office (address and country):

(d) form of corporation (e.g. incorporated association/mutually held/demutualised; publicly listed/privately held, etc.):

(e) date and place of incorporation:

(f) if different from the name of the applicant, the proposed name(s) of the markets to be operated by the applicant:

(g) proposed trading hours of the markets to be operated by the applicant:

- (h) the applicant's authorised and paid-up capital, including relevant details of shares issued or to be issued (e.g. types, number and issue price):

- (i) attach an organisation chart showing the key officers and employees of the applicant, and their reporting lines.

- (j) attach an organisation chart showing the applicant and its relationships with its related corporation(s).

- (k) state if the applicant is operating in Singapore as a bank, merchant bank, finance company, insurer, trust company, designated clearing house, holder of a capital markets services licence.

2. Provide relevant information on the applicant's business plans and operations, including information such as —

- (a) detailed information on the securities or futures contracts that will be traded on the applicant's markets;

- (b) the prospective categories of participants (e.g. clearing and trading participant, trading participant, dealing participant, client participant, etc.);

- (c) the nature of prospective participants or investors who may use, invest in or participate in the securities or futures contracts traded on the markets operated by the applicant in Singapore (e.g. institutional, accredited, expert, retail, etc.);

- (d) any affiliation between the applicant and the prospective participants, such as common owners, directors or officers;

- (e) the manner in which the different categories of prospective participants and investors would access the applicant's markets;
- (f) the applicant's operations with respect to operating its markets (provide transaction flowcharts or diagrams, where relevant), proposed revenue sources, and projected volumes and value of transactions that would be conducted on the applicant's markets;
- (g) any other relevant information which may help in processing this application.

3. Describe and demonstrate, with supporting documents or information, how the applicant will reasonably ensure that the market it operates is fair, orderly and transparent, on an ongoing basis.

Note:

Relevant supporting documents or information to be provided could include the applicant's —

- (a) systems and procedures governing entry, execution, reporting, clearance, and settlement of transactions effected through the applicant's market facilities;
- (b) business rules and listing rules (if applicable);
- (c) measures to inform investors of the peculiar risks arising from its market operations, including risk disclosure statements (if any) relating to its market operations;
- (d) risk management systems, including procedures relating to internal audit, internal controls, security, and the granting of credit;

(e) business continuity plan and system capacity planning procedures; and

(f) human resources, including information on the staffing levels of key functions (such as market control, market surveillance, compliance, member regulation, etc.).

4. If the applicant or any of its related corporations are operating similar market(s) in any other jurisdiction, provide relevant information such as —

(a) the name(s) of such market(s);

(b) the name(s) of such jurisdiction(s);

(c) the name(s) of any supervisory authority, including any self-regulatory organisation, that exercises oversight over the applicant or its related corporations in these jurisdictions;

(d) evidence of the applicant's authorisation to operate a market or exemption from the need to be authorised in these jurisdictions, including a copy of any conditions imposed on the applicant's market operations in these jurisdiction(s);

5. If applicable, provide the name of any person (other than the applicant) that will be involved in managing or operating material aspects of the applicant's operations on behalf of the applicant. Provide a description of the role and responsibilities of each person to which the applicant has delegated or outsourced its operations.

6. Give an outline of the applicant's plans with regard to the operation and expansion of its business in Singapore and abroad (if applicable) over the next 3 to 5 years. The outline should include financial projections on the resources available to maintain the market facilities.

7. If applicable, provide description(s) of the applicant's business(es), other than the operation of the proposed market.

8. If applicable, provide the name(s) and description(s) of any related corporation to the applicant that is operating in Singapore as a bank, merchant bank, finance company, insurer, trust company, designated clearing house, approved holding company, holder of a capital markets services licence, or holder of a financial adviser's licence.

9. Attach certified true copies of the most recent auditor's report, audited balance-sheet, and audited profit and loss account, by whatever name called. In addition, attach a report by the directors of the applicant stating whether, from the date of the most recent auditor's report, audited balance sheet and audited profit and loss account to a date not earlier than 14 days before the date of the application, —
- (a) the business of the applicant has, in their opinion, been satisfactorily maintained;
 - (b) there has, in their opinion, arisen any circumstance adversely affecting the applicant's operation or the value of its assets;
 - (c) the current assets appear in the books at values which are believed to be realisable in the ordinary course of business;
 - (d) there are any contingent liabilities by reason of any guarantees given by the applicant or any of its subsidiaries, or by any other reason; and
 - (e) there are any changes in reserves or any unusual factors affecting the profit of the applicant and its subsidiaries.

III. INFORMATION ON CHIEF EXECUTIVE OFFICER AND DIRECTORS

Complete and attach **Form 2** of the Securities and Futures (Markets) Regulations 2005 on "Information on Chief Executive Officer and Directors" for the purpose of completing this Part.

IV. INFORMATION ON SHAREHOLDERS AND SUBSIDIARIES

Complete and attach **Form 3** of the Securities and Futures (Markets) Regulations 2005 on "Information on Shareholders and Subsidiaries" for the purpose of completing this Part.

V. FIT AND PROPER CRITERIA

If the answer to any of the following questions is in the affirmative, please attach annexes and supporting documents, where appropriate, to provide all relevant particulars. If there is any doubt with respect to any part of this section, please provide all relevant information to demonstrate that the applicant and its shareholders are considered to be fit and proper persons.

Honesty, Integrity and Reputation

1. Within the past 10 years, has the applicant or any of its substantial shareholders, whether the shareholder is an individual or corporation (including the corporation's related corporations), or any director or chief executive officer of the applicant —
- | | Yes | No |
|--|--------------------------|--------------------------|
| (a) been licensed, or registered or approved under any law in any jurisdiction which requires licensing, registration or approval in relation to any regulated activity? | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) been licensed, registered, or otherwise authorised by any law to carry on any trade, business (including sole proprietorships and partnerships) or profession (for example, accountancy, engineering, law and architecture) in any jurisdiction? | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) been refused the right or restricted in its or his right to carry on any trade, business or profession for which a specific licence, registration or other authorisation is required by law in any jurisdiction? | <input type="checkbox"/> | <input type="checkbox"/> |
| (d) been issued a prohibition order under any Act administered by the Authority or been prohibited from operating in any jurisdiction by any financial services regulatory authority? | <input type="checkbox"/> | <input type="checkbox"/> |
| (e) been censured, disciplined, suspended or refused membership or registration by the Authority, any other regulatory authority, an operator of a market or clearing facility, any professional body or government agency, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (f) been the subject of any complaint made reasonably and in good faith, relating to activities that are regulated by the Authority or under any law in any jurisdiction? | <input type="checkbox"/> | <input type="checkbox"/> |

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|-----|--|--------------------------|--------------------------|
| (g) | been the subject of any proceedings of a disciplinary or criminal nature or been notified of any potential proceedings or of any investigation which might lead to those proceedings, under any law in any jurisdiction? | <input type="checkbox"/> | <input type="checkbox"/> |
| (h) | been convicted of any offence, served any term of imprisonment or is being subject to any pending proceedings which may lead to such a conviction of any offence, under any law in any jurisdiction? | <input type="checkbox"/> | <input type="checkbox"/> |
| (i) | had any civil penalty enforcement action taken against it or him by the Authority or any other regulatory authority under any law in any jurisdiction? | <input type="checkbox"/> | <input type="checkbox"/> |
| (j) | contravened or abetted another person in breach of any laws or regulations, business rules or codes of conduct, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (k) | been the subject of any investigations or disciplinary proceedings or been issued a warning or reprimand by the Authority, any other regulatory authority, an operator of a market or clearing facility, any professional body or government agency, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (l) | been refused a fidelity or surety bond, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (m) | been or is a director, partner, substantial shareholder or concerned in the management of a business that has been censured, disciplined, prosecuted or convicted of a criminal offence, or been the subject of any disciplinary or criminal investigation or proceeding, whether in Singapore or elsewhere, in relation to any matter that took place while he was a director, partner, substantial shareholder or concerned in the management of the business? | <input type="checkbox"/> | <input type="checkbox"/> |
| (n) | been or is a director, partner, substantial shareholder or concerned in the management of a business that has been suspended or refused membership or registration by the Authority, any other regulatory authority, an operator of a market or clearing facility, any professional body or government agency, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (o) | been a director, partner, substantial shareholder or concerned in the management of a business that has gone into insolvency, liquidation or administration during the period when, or within a period of one year after, he was a director, partner, substantial shareholder or concerned in the management of the business, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |

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|-----|--|--------------------------|--------------------------|
| (p) | been dismissed or asked to resign, from office, employment, a position of trust, or a fiduciary appointment or similar position, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (q) | been or is subject to disciplinary proceedings by his current or former employer(s), whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (r) | been disqualified from acting as a director or disqualified from acting in any managerial capacity, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (s) | been an officer found liable for an offence committed by a body corporate as a result of the offence having proved to have been committed with the consent or connivance of, or neglect attributable to, the officer, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (t) | been engaged in the management of any corporation other than those disclosed in Part III (Information On Chief Executive Officer And Directors) of this application in any jurisdiction? | <input type="checkbox"/> | <input type="checkbox"/> |
| (u) | carried on business under any name other than the name stated in this application in any jurisdiction? | <input type="checkbox"/> | <input type="checkbox"/> |

2. Has the applicant or any of its substantial shareholders, whether the shareholder is an individual or a corporation (including the corporation's related corporations), or any director or chief executive officer of the applicant —

- | | Yes | No | |
|-----|---|--------------------------|--------------------------|
| (a) | had any judgment (in particular, that associated with a finding of fraud, misrepresentation, or dishonesty) entered against it or him in any civil proceedings or is a party to any pending proceedings which may lead to such a judgment, under any law in any jurisdiction? | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) | accepted civil liability for fraud, misrepresentation or dishonesty under any law in any jurisdiction? | <input type="checkbox"/> | <input type="checkbox"/> |

Financial Soundness

3. Within the past 10 years, has the applicant or any of its substantial shareholders, whether the shareholder is an individual or a corporation (including the shareholders' related corporations), or any director or chief executive officer of the applicant —
- | | Yes | No |
|---|--------------------------|--------------------------|
| (a) been or is unable to fulfill any of its or his financial obligations, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) entered into a compromise or scheme of arrangement with its or his creditors, or made an assignment for the benefit of its or his creditors, being a compromise, scheme of arrangement or assignment that is still in operation, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) been or is subject to a judgment debt which is unsatisfied, either in whole or in part, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (d) been or is the subject of a bankruptcy petition, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (e) been adjudicated a bankrupt and the bankruptcy is undischarged, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (f) been or is the subject of a winding down petition, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (g) been dissolved or is in the course of being wound-up, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (h) been or is a corporation where a receiver, receiver and manager, judicial manager, or such other person having the powers and duties of a receiver, receiver and manager, or judicial manager, has been appointed in relation to, or in respect of any property of, the corporation, whether in Singapore or elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |
| (i) been or is subject to any other process outside Singapore that is similar to those referred to in (d)-(h)? | <input type="checkbox"/> | <input type="checkbox"/> |

VI. OTHER INFORMATION

Are there any additional information considered relevant or material to this application?

VII. DECLARATION

1. We are aware that sections 329(3) and (4) of the Securities and Futures Act (Cap. 289) provide as follows:

Any person who signs any document lodged with the Authority shall use due care to ensure that the document is not false or misleading in any material particular. Any person who contravenes this requirement shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both.

2. We are aware that under section 81W(5) of the Securities and Futures Act (Cap. 289), the Authority may refuse the application for exemption from the requirement to be an approved exchange or a recognised market operator if the applicant fails to satisfy the Authority that the applicant (including its officers, employees and substantial shareholders) are fit and proper persons based on the criteria stated in the Guidelines.
3. We have read the Guidelines on Fit and Proper (the "Guidelines") issued by the Authority and in submitting this form, we are satisfied that the applicant (including its officers, employees, and substantial shareholders) are fit and proper persons based on the criteria stated in the Guidelines.
4. We declare that all information given in this application and in the attached annexes and forms (if any) are true and correct.

Signature

Signature

Name of Director

Name of Director/Secretary*

Date (dd/mm/yy)

Date (dd/mm/yy)