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SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES
(FINANCIAL AND MARGIN REQUIREMENTS FOR
HOLDERS OF CAPITAL MARKETS SERVICES LICENCES)
(AMENDMENT) REGULATIONS 2008

In exercise of the powers conferred by sections 86(3), 100 and 341 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 (Financial and Margin Requirements for Holders of Capital Markets Services Licences) (Amendment) Regulations 2008 and shall come into operation on 27th February 2008.

Amendment of regulation 4

2. Regulation 4 of the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations (Rg 13) (referred to in these Regulations as the principal Regulations) is amended —

- (a) by inserting, immediately after the words “regulation 3” in paragraph (1), the words “or paragraph (1A), as the case may be”; and
- (b) by inserting, immediately after paragraph (1), the following paragraph:

“(1A) If a holder of a licence, at any time during the period of its licence, intends to commence or cease business in any regulated activity, or change the scope of its business in a regulated activity, such that a different base capital requirement shall apply to it, it shall obtain the prior written approval of the Authority to comply with the new base capital requirement applicable to it.”.

New regulation 5A

3. The principal Regulations are amended by inserting, immediately after regulation 5, the following regulation:

“Written directions to maintain financial resources in Singapore

5A.—(1) The Authority may, from time to time, issue written directions to any holder of a licence that is incorporated in Singapore, or class of such holders, to require the holder or each holder of that class to maintain and hold such of its financial resources as the written direction may specify in Singapore, and the holder shall comply with such written direction.

(2) The written direction referred to in paragraph (1) may specify, in respect of the financial resources of any holder or class of holders —

- (a) the items under paragraph 1 of the Second Schedule that are to be maintained and held in Singapore;
- (b) the minimum value of any such items to be maintained and held in Singapore; and
- (c) the method of valuation of such items maintained and held in Singapore, including any deductions to be made in respect of those items.”.

Amendment of regulation 19

4. Regulation 19(1) of the principal Regulations is amended by deleting the words “\$15 million” and substituting the words “\$5 million”.

Amendment of regulation 28A

5. Regulation 28A of the principal Regulations is amended —

- (a) by inserting “, (1A)” immediately after the words “regulation 4(1)” in paragraph (a); and
- (b) by inserting “5A(1),” immediately after the words “regulation 4(3)(a),” in paragraph (b).

Amendment of First Schedule

6. The First Schedule to the principal Regulations is amended —

(a) by deleting the word “Where” in paragraph 2 and substituting the words “Except in the circumstances referred to in paragraph 3, where”;

(b) by deleting the words “in the table below” in paragraph 2 and substituting the word “hereinafter”;

(c) by inserting, immediately after paragraph 2, the following paragraph:

“3. Where an applicant trades only in futures contracts in respect of one or more of the following commodities (referred to hereinafter as specified commodity futures contracts), the applicant may opt for the applicable base capital requirement corresponding to either item (2) or (2A) in the table below:

(a) gold;

(b) any produce, item, goods or article, including an index, right or interest in any produce, item, goods or article.”;

(d) by inserting, immediately after the words “clearing facility for futures contracts” in item (2)(a) in the table, the words “, where the applicant’s membership is not limited to specified commodity futures contracts”;

(e) by inserting, immediately after paragraph (a) of item (2) in the table, the following paragraph:

“(aa) the applicant is a member of a \$1 million”; and
designated clearing house authorised to
operate a clearing facility for futures
contracts, where the applicant’s
membership is limited to specified
commodity futures contracts;

(f) by inserting, immediately after item (2) in the table, the following item:

“(2A) Trading in specified commodity futures
contracts only and —

(a) the applicant is a member of a clearing house authorised to operate a clearing facility for futures contracts, where the applicant’s membership is limited to specified commodity futures contracts; \$1 million

(b) the applicant (not being an applicant to which paragraph (d) or (e) applies) is a member of a futures exchange; \$500,000

(c) the applicant (not being an applicant to which paragraph (d) or (e) applies) is not a member of a futures exchange;	\$500,000
(d) the applicant does not carry any customer's positions in specified commodity futures contracts, margins or accounts in its own books, and either —	\$250,000
(i) carries on the business only of soliciting or accepting orders for the purchase or sale of any specified commodity futures contracts from any customer (not being an applicant to which paragraph (e) applies); or	
(ii) accepts money or assets from any customer as settlement of, or a margin for, or to guarantee or secure, any purchase or sale of specified commodity futures contracts by that customer; or	
(e) the applicant —	\$250,000
(i) does not carry any customer's positions in specified commodity futures contracts, margins or accounts in its own books;	
(ii) trades in specified commodity futures contracts only with accredited investors; and	
(iii) does not accept money or assets from any customer as settlement of, or a margin for, or to guarantee or secure, any purchase or sale of specified commodity futures contract by that customer.”.	

Amendment of Third Schedule

7. The Third Schedule to the principal Regulations is amended by inserting, immediately after the word “may” in paragraph 2(1)(c), the words “, by notice in writing,”.

[G.N. Nos. S 372/2005; S 78/2006; S 507/2006; S 677/2006; S 445/2007]

Made this 27th day of February 2008.

HENG SWEE KEAT
Managing Director,
Monetary Authority of Singapore.

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