

**No. S 275**

SECURITIES AND FUTURES ACT  
(CHAPTER 289)

SECURITIES AND FUTURES  
(LICENSING AND CONDUCT OF BUSINESS)  
(AMENDMENT) REGULATIONS 2008

In exercise of the powers conferred by sections 99, 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 (Licensing and Conduct of Business) (Amendment) Regulations 2008 and shall come into operation on 28th May 2008.

**Amendment of regulation 14**

2. Regulation 14(5) of the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10) (referred to in these Regulations as the principal Regulations) is amended—

- (a) by deleting the words “of the principal Regulations” in sub-paragraph (b); and
- (b) by deleting sub-paragraph (iii) of sub-paragraph (b) and substituting the following sub-paragraph:

“(iii) where the person is an entity —

- (A) its directors or equivalent persons are fit and proper persons for office;
- (B) its substantial shareholders or equivalent persons are fit and proper persons to be in such capacity; and
- (C) persons (other than a person referred to in sub-paragraph (A) or (B)) alone or acting together with any connected person, who —
  - (CA) control, directly or indirectly, not less than 20% of the voting power or such equivalent decision-making power in the entity; or

(CB) acquire or hold, directly or indirectly, not less than 20% of the issued shares or such equivalent share of ownership of the entity,

are fit and proper persons to control such power or hold such shares or share of ownership.”.

### **Amendment of regulation 55**

3. Regulation 55 of the principal Regulations is amended by inserting, immediately after the words “or V,”, the words “paragraph 4(6), 5(7) or 7(6) of the Second Schedule,”.

### **Amendment of Second Schedule**

4. The Second Schedule to the principal Regulations is amended —

(a) by deleting sub-paragraph (c) of paragraph 4(1) and substituting the following sub-paragraph:

“(c) a person resident in Singapore who carries on business in Singapore in leveraged foreign exchange trading with accredited investors.”;

(b) by deleting sub-paragraph (3) of paragraph 5 and substituting the following sub-paragraph:

“(3) In this paragraph, each of the following persons, schemes and funds shall be considered as one qualified investor:

(a) an accredited investor, other than —

- (i) one who is a participant in a collective investment scheme referred to in sub-paragraph (b);
- (ii) one who is a holder of a unit in a closed-end fund referred to in sub-paragraph (c);
- (iii) one which is a corporation referred to in section 4A(1)(a)(ii) of the Act or an entity referred to in regulation 2(b) of the Securities and Futures (Prescribed Specific Classes of Investors) Regulations 2005 (G.N. No. S 369/2005) —

(A) which is related to or controlled by a person referred to in sub-paragraph (1)(d), or a key officer or substantial shareholder of such person; and

- (B) the shares or debentures of which are, after 28th May 2008, the subject of an offer or invitation for subscription or purchase made to any person who is not an accredited investor; or
- (iv) a corporation or an entity which is a collective investment scheme or a closed-end fund the units of which are, after 28th May 2008, the subject of an offer or invitation made to any person who is not an accredited investor;
- (b) a collective investment scheme the units of which are the subject of an offer or invitation for subscription or purchase made —
  - (i) in Singapore only to accredited investors; or
  - (ii) elsewhere if, after 28th May 2008, such offer or invitation is made only to accredited investors, or investors in an equivalent class under the laws of the country or territory in which the offer or invitation is made;
- (c) a closed-end fund the units of which are the subject of an offer or invitation for subscription or purchase made only to accredited investors, or investors in an equivalent class under the laws of the country or territory in which the offer or invitation is made;
- (d) any other person that the Authority may, from time to time, by a guideline issued by the Authority, determine.”; and
- (c) by deleting the words “who carries on business” in paragraph 7(1)(b) and substituting the words “resident in Singapore who carries on business in Singapore”.

### **Transitional provision**

5. Where a person carrying on business in leveraged foreign exchange trading or advising on corporate finance on or after 28th May 2008 would, but for these Regulations, have been exempted under paragraph 4(1)(c) or 7(1)(b) of the Second Schedule to the principal Regulations in force immediately before 28th May 2008 from the requirement to hold a capital markets services licence in respect of that activity, he shall continue to be so exempted —

- (a) until the expiry of a period of 6 months from 28th May 2008; or
  - (b) if, before the expiry of that period of 6 months, he applies for a capital markets services licence in respect of that activity, until the date on which the licence is granted to him, or on which his application is refused or withdrawn,
- whichever is the later.

*[G.N. Nos. S 373/2005; S 404/2005]*

Made this 22nd day of May 2008.

**HENG SWEE KEAT**  
*Managing Director,*  
*Monetary Authority of Singapore.*

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