

No. S 77

SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES
(FINANCIAL AND MARGIN REQUIREMENTS
FOR HOLDERS OF CAPITAL MARKETS SERVICES
LICENCES) (AMENDMENT) REGULATIONS 2009

In exercise of the powers conferred by sections 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 2009 and shall come into operation on 1st March 2009.

Amendment of regulation 24

2. Regulation 24(1) of the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations (Rg 13) is amended by deleting the word “The” in the 1st line and substituting the words “Subject to regulation 24B, the”.

New regulation 24B

3. The Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations are amended by inserting, immediately after regulation 24A, the following regulation:

‘Share financing

24B.—(1) Subject to its compliance with the conditions under paragraph (2), the holder of a licence for securities financing need not comply with regulation 24 in respect of its provision to a customer of any securities financing to facilitate his subscription for or purchase of any shares —

- (a) pursuant to an initial public offer;
- (b) in exercise of an option given under an employee share option scheme; or

(c) pursuant to a rights issue,

where the securities financing is provided before the allotment of those shares to the customer (referred to in this regulation as the subject securities financing).

(2) The holder under paragraph (1) shall —

(a) take reasonable steps to ensure that the aggregate of —

(i) the amount of the credit facility, advance or loan provided to the customer under the subject securities financing to facilitate his subscription for or purchase of shares in any of the respective circumstances referred to in paragraph (1)(a), (b) or (c); and

(ii) the amount of every other credit facility, advance or loan under any securities financing provided by another financial institution to the customer to facilitate his subscription for or purchase of those shares in the same respective circumstances,

together with all discounts, rebates and other benefits given to the customer for his subscription for or purchase of those shares in those same respective circumstances by the holder and other persons, does not exceed 80% of the amount to be paid by the customer for those shares, including obtaining a written declaration from the customer on whether —

(A) he has received any discount, rebate or other benefit from any person for his subscription for or purchase of those shares in those same respective circumstances, and the amount and other details of each such discount, rebate or benefit; and

(B) he has been provided with securities financing by any other financial institution for his subscription for or purchase of those shares in those same respective circumstances, and the amount of the credit facility, advance or loan and other details of each such financing; and

(b) ensure that the aggregate of —

(i) the amount of the credit facility, advance or loan provided under the subject securities financing; and

(ii) the amount of all credit facilities, advances and bans under all subject securities financing that it has previously provided to its customers,

does not exceed 20% of its free financial resources within the meaning of regulation 24(6) or 20% of its average adjusted net capital within the meaning of regulation 24(6), as the case may be.”.

[G.N. Nos. S 372/2005; S 78/2006; S 507/2006; S 677/2006; S 445/2007; S 101/2008; S 375/2008]

Made this 22nd day of January 2009.

HENG SWEE KEAT
Managing Director,
Monetary Authority of Singapore.

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