

No. S 20 -

SECURITIES AND FUTURES ACT  
(CHAPTER 289)

SECURITIES AND FUTURES ACT  
(AMENDMENT OF SECOND SCHEDULE AND  
OTHER PROVISIONS FOR PROVISION  
OF CREDIT RATING SERVICES)  
ORDER 2012

In exercise of the powers conferred by section 340(1) and (2) of the Securities and Futures Act, Deputy Prime Minister Tharman Shanmugaratnam, charged with the responsibility for the portfolio of the Prime Minister, hereby makes the following Order:

**Citation and commencement**

1. This Order may be cited as the Securities and Futures Act (Amendment of Second Schedule and Other Provisions for Provision of Credit Rating Services) Order 2012 and shall come into operation on 17th January 2012.

**Amendment of Second Schedule**

2. The Second Schedule to the Securities and Futures Act (Cap. 289) is amended —

(a) by inserting, immediately after paragraph (f) of Part I, the following paragraph:

“(fa) providing credit rating services;”;

(b) by inserting, immediately after the definition of “advising on corporate finance” in Part II, the following definition:

“ “credit rating” means an opinion expressed using an established and defined ranking system of rating categories, primarily regarding the creditworthiness of a rating target;”;

(c) by inserting, immediately after the definition of “on a margin basis” in Part II, the following definition:

“ “providing credit rating services” means preparing, whether wholly or partly in Singapore, credit ratings in relation to activities in the securities and futures industry for —

(a) dissemination, whether in Singapore or elsewhere, or with a reasonable expectation that they will be so disseminated; or

(b) distribution by subscription, whether in Singapore or elsewhere, or with a reasonable expectation that they will be so distributed,

but does not include —

- (i) preparing a private credit rating pursuant to an individual order which is intended to be provided exclusively to the person who placed the order and not intended for public disclosure or distribution by subscription; or
  - (ii) preparing credit scores, credit scoring systems or similar assessments related to obligations arising from consumer, commercial or industrial relationships.”; and
- (d) by inserting, immediately after the definition of “providing custodial services for securities” in Part II, the following definitions:

““rating category” means a rating symbol, such as a letter or numerical symbol which might be accompanied by appending identifying characters, used in a credit rating to provide a relative measure of risk to distinguish the different risk characteristics of the types of rating targets;

“rating target” means the subject of a credit rating which may be —

- (a) a person other than an individual;
- (b) the government of a sovereign country, including the Government of Singapore; or
- (c) securities;”.

**Incidental, consequential or supplementary amendments to other provisions in Act**

3. The provisions of the Securities and Futures Act specified in the first column of the Schedule are amended in the manner set out in the second column thereof.

## THE SCHEDULE

### INCIDENTAL, CONSEQUENTIAL OR SUPPLEMENTARY AMENDMENTS TO OTHER PROVISIONS IN ACT

Paragraph 3

<i>First column</i>	<i>Second column</i>
(1) Section 2(1)	<p>Insert, immediately after the definition of “principal”, the following definition:</p> <p style="padding-left: 40px;">““providing credit rating services” has the meaning given to it in the Second Schedule;”.</p>
(2) Section 130(2)	<p>(a) Delete the word “or” at the end of paragraph (a)(iii).</p> <p>(b) Delete the word “and” at the end of paragraph (a)(iv) and substitute the word “or”.</p> <p>(c) Insert, immediately after sub-paragraph (iv) of paragraph (a), the following sub-paragraph:</p> <p style="padding-left: 40px;">“(v) a holder of a capital markets services licence for providing credit rating services and a representative of such a holder; and”.</p>

Made this 12th day of January 2012.

**PETER ONG**  
*Permanent Secretary*  
*(Special Duties),*  
*Prime Minister’s Office,*  
*Singapore.*

[CMD MCP 04/2010; AG/LLRD/SL/289/2010/15 Vol. 1]

(To be presented to Parliament under section 340(3) of the Securities and Futures Act).