



Monetary Authority of Singapore

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**SECURITIES AND FUTURES ACT  
(CAP. 289)**

**NOTICE ON EXECUTION OF CUSTOMERS' ORDERS**

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**Notice No: SFA02- NXX**

**Issue Date: XXX**

## **NOTICE ON EXECUTION OF CUSTOMERS' ORDERS**

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### **1 INTRODUCTION**

1.1 This Notice is issued pursuant to section 101 of the Securities and Futures Act (Cap.289) (“Act”) and applies to capital markets intermediaries.

### **2 DEFINITIONS**

2.1 For the purposes of this Notice –

“capital markets intermediary” means –

- (a) a holder of a capital markets services licence to carry on business in one or more of the following regulated activities:
  - (i) dealing in securities;
  - (ii) trading in futures contracts;
  - (iii) leveraged foreign exchange trading;
  - (iv) fund management;
  - (v) real estate investment trust management; or
- (b) a person exempted from the requirement to hold a capital markets services licence under section 99(1)(a), (b) or (c) of the Act in respect of one or more of the following regulated activities:
  - (i) dealing in securities;
  - (ii) trading in futures contracts;
  - (iii) leveraged foreign exchange trading;
  - (iv) fund management;
  - (v) real estate investment trust management.

“customer” means a person on whose behalf, or with whom, a capital markets intermediary carries on or will carry on one or more of the following regulated activities:

- (a) dealing in securities;
- (b) trading in futures contracts;
- (c) leveraged foreign exchange trading;
- (d) fund management;
- (e) real estate investment trust management.

“order” in relation to a customer, includes an order for, or a transaction of, purchase or sale of any capital markets products which is placed by a capital markets intermediary, on behalf of or with a customer or the customers of the capital markets intermediary –

- (a) directly on any market;
- (b) with another capital markets intermediary which carries on business in dealing in securities, trading in futures contracts or leveraged foreign exchange trading, or any combination of the foregoing; or
- (c) with any person who is licensed, authorised or otherwise regulated in relation to a comparable type of a regulated activity mentioned in sub-paragraph (b) in a foreign jurisdiction.

2.2 The expressions used in this Notice shall, except where defined in this Notice or where the context otherwise requires, have the same meanings as in section 2 of the Act.

### **3 POLICIES AND PROCEDURES IN RELATION TO CUSTOMERS’ ORDERS**

3.1 A capital markets intermediary which places or executes, or both, as the case may be, customers’ orders for purchase or sale of any capital markets products, must, in a manner that is commensurate with the nature, scale and complexity of its business, establish and implement written policies and procedures to place or execute, or both, as the case may be, comparable customers’ orders in accordance with the time of receipt of such orders.

3.2 A capital markets intermediary which places or executes, or both, as the case may be, customers’ orders for purchase or sale of any capital markets products, must establish and implement policies and procedures to place or execute, or both, as the case may be, customers’ orders on the best available terms.

3.3 A capital markets intermediary should refer to the Guidelines to MAS Notice SFA02-NXX on Execution of Customers’ Orders which sets out the Authority’s expectations in this respect.