

Commodity Trading Regulations 2001

Table of Contents

Enacting Formula

Part I preliminary

1 Citation and commencement

2 Definitions

3 Net capital

4 Adjusted net capital

5 Forms

Part II licences

6 Manner of application for licence or approval

7 Change of address

8 Register of licences, etc.

9 Fees

Part III ACCOUNTS AND AUDIT

10 Accounts to be kept by brokers

11 Appointment of auditors

12 Lodging annual accounts, etc.

13 Reports by auditor to Board

14 Profit and loss account and balance-sheet

15 Form of auditor's report

16 Control of take-overs of licensees, etc.

Part IV conduct of commodity trading business

17 Minimum financial requirements for commodity brokers , etc.

18 Statements of financial condition, computation of adjusted net capital, etc.

19 Records to be kept by trading adviser and pool operator

20 Reports by pool operator

21 Segregation of customer's funds by brokers

22 Segregated accounts

23 (Deleted)

24 Issues of contract confirmation

25 Monthly confirmation statements

26 Conduct of business of pool operator

27 Conduct of business of trading adviser

28 Trading standards for brokers

Part V miscellaneous

29 (Deleted)

30 Change of principal

31 Time for document to be lodged

32 (Deleted)

33 Compliance with financial reporting requirements, etc.

34 Offences

35 Transitional provision

FIRST SCHEDULE Fees

SECOND SCHEDULE

No. S 578

**COMMODITY TRADING ACT
(CHAPTER 48A)**

COMMODITY TRADING REGULATIONS 2001

In exercise of the powers conferred by sections 13A, 16, 22, 30 and 63 of the Commodity Trading Act, the Trade Development Board, with the approval of the Minister for Trade and Industry, hereby makes the following Regulations:

PART I

PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Commodity Trading Regulations 2001 and shall come into operation on 28th November 2001.

Definitions

2. In these Regulations, unless the context otherwise requires —

“accounts” —

(a) means profit and loss accounts and balance-sheets; and

(b) includes notes (other than auditor's reports) attached to or intended to be read with the profit and loss accounts or balance-sheets;

"bank" means any body corporate licensed to carry on banking business under the Banking Act (Cap. 19);

"business day" means any day which the respective commodity market is open for trading or deliveries;

"connected person", in relation to a director of a body corporate, includes —

(a) his spouse, son, adopted son, step-son, daughter, adopted daughter, step-daughter, father, mother, brother or sister; and

(b) a firm, corporation or company in which any of the persons mentioned in paragraph (a) or the director is in a position to control not less than 20% of the voting power in the firm, corporation or company, whether such control is exercised individually or jointly;

"contract confirmation note" means a statement sent by a commodity broker or a spot commodity broker to a customer when there is a change in the customer's positions, showing the number of contracts involved, the price at which the contracts were transacted, commission charges and the net profits or losses on the transactions;

"customer's account" means a current or deposit account at a bank, merchant bank, clearing house, a commodity broker, spot commodity broker or any other person approved by the Board, in the name of the commodity broker, spot commodity broker or commodity pool operator, in the title of which the word "customer" appears;

"long" means the purchase of a commodity contract or spot commodity contract to establish a position;

"margin" means an amount of money or collateral deposited by the buyer or the seller of a commodity contract or spot commodity contract to ensure performance of the terms of the contract;

"margin call" means a request from a commodity market, clearing house, commodity broker or spot commodity broker to a customer to deposit additional margins to meet a required minimum margin level;

"mark-to-market" means the process whereby the daily closing price of a commodity contract is used to value all outstanding positions of that contract at the end of the day and to establish the resulting gains and losses;

“merchant bank” means a merchant bank that is approved under the Monetary Authority of Singapore Act (Cap. 186);

“net asset value” means the total assets minus total liabilities determined in accordance with generally accepted accounting principles with each contract position valued at the prevailing market price;

“participant” means a person who has a direct financial interest in a commodity pool or a spot commodity pool;

“position” means a commodity contract or spot commodity contract which is outstanding and has not been liquidated by an offsetting transaction or by delivery of the commodity underlying the contract or through settlement of the contract in accordance with the rules of a commodity market or any spot commodity market, or the practices of a commodity market or any spot commodity market;

“property” includes movable and immovable property, and any estate, share and interest in any property, movable or immovable, and any debt, and anything in action, and any other right or interest, whether in possession or not;

“securities” has the same meaning as in the Securities Industry Act (Cap. 289);

“senior creditor” means a creditor who for the time being holds or is entitled to the senior debt;

“senior debt” means the unpaid claims of all creditors for the time being of a commodity broker or spot commodity broker, however incurred;

“short” means the sale of a commodity contract or spot commodity contract to establish a position;

“Singapore Commodity Exchange” means the corporation known as Singapore Commodity Exchange Ltd;

[S 100/2008 wef 27/02/2008]

“stock market” has the same meaning as in the Securities Industry Act;

“trading programme” means a system, method or programme which a commodity trading adviser may use to direct or guide a customer’s commodity contract account.

Net capital

3.—(1) For the purposes of these Regulations —

“current assets”, in relation to a commodity broker or spot commodity broker,