

Commodity Trading (Amendment) Bill

Table of Contents

Bill No: 23/2007

Read the first time: 21st May 2007

Long Title

Enacting Formula

1 Short title and commencement

2 Amendment of long title

3 Amendment of section 2

4 Repeal and re-enactment of section 3

5 Amendment of section 4

6 Amendment of section 6

7 Amendment of section 12

8 Amendment of section 13

9 Amendment of section 18

10 Amendment of section 27

11 Amendment of section 28

12 Amendment of section 30

13 Amendment of section 31

14 Amendment of section 32

15 Amendment of section 36

16 Repeal of section 39

17 Amendment of section 41

18 Repeal of section 50

19 Amendment of section 52

20 Amendment of section 53

21 Amendment of section 57

22 Repeal of section 62

23 Amendment of section 63

24 Amendment of Schedule

25 Miscellaneous amendments

26 Consequential amendments to Financial Advisers Act

27 Consequential amendments to Income Tax Act

28 Consequential amendments to Securities and Futures Act

29 Transitional and savings provisions

Explanatory Statement

Expenditure of Public Money

Commodity Trading (Amendment) Bill

Bill No. 23/2007

Read the first time on 21st May 2007.

An Act to amend the Commodity Trading Act (Chapter 48A of the 1993 Revised Edition) and to make consequential amendments to the Financial Advisers Act (Chapter 110 of the 2007 Revised Edition), the Income Tax Act (Chapter 134 of the 2004 Revised Edition) and the Securities and Futures Act (Chapter 289 of the 2006 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Commodity Trading (Amendment) Act 2007 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of long title

2. The long title to the Commodity Trading Act (referred to in this Act as the principal Act) is amended by deleting the words “trading in certain commodity futures and”.

Amendment of section 2

3. Section 2 of the principal Act is amended —

- (a) by deleting the words “commodity futures market” wherever they appear in the definition of “business rules” and substituting in each case the words “commodity market”;
- (b) by deleting the definitions of “clearing house” and “commodity” and substituting the following definitions:

“clearing house”, in relation to a commodity market, means a body corporate that —

- (a) clears and settles commodity contracts; and
- (b) makes adjustments to the contractual obligations arising out of those commodity contracts;

“commodity” means any produce, item, goods or article that is

the subject of any —

- (a) commodity forward contract;
- (b) leveraged commodity trading;
- (c) contract made pursuant to trading in differences; or
- (d) spot commodity trading,

and includes an index, right or interest in such commodity, and such other index, right or interest of any nature as the Board may, by notification in the *Gazette*, prescribe to be a commodity; but does not include any produce, item, goods or article that is the subject of a commodity futures contract and any index, right or interest in such produce, item, goods or article;”;

- (c) by deleting the words “, but does not include a commodity futures broker” in the definition of “commodity broker”;
- (d) by deleting the words “, but does not include a commodity futures broker’s representative” in the definition of “commodity broker’s representative”;
- (e) by inserting, immediately after the words “with respect to a commodity” in paragraph (b) of the definition of “commodity contract”, the words “, not being a commodity futures contract”;
- (f) by deleting the definition of “commodity floor broker”;
- (g) by deleting the definitions of “commodity futures broker”, “commodity futures broker’s representative”, “commodity futures contract”, “Commodity Futures Exchange”, “commodity futures market”, “commodity futures option transaction”, “commodity futures pool operator”, “commodity futures pool operator’s representative”, “commodity futures trading adviser” and “commodity futures trading adviser’s representative” and substituting the following definition:

“ “commodity futures contract” means —

- (a) a contract the effect of which is that —
 - (i) one party agrees to deliver a specified commodity, or a specified quantity of a specified commodity, to another party at a specified future time and at

a specified price payable at that time pursuant to the terms and conditions set out in the business rules of a futures market or pursuant to the business practices of a futures market; or

- (ii) the parties will discharge their obligations under the contract by settling the difference between the value of a specified quantity of a specified commodity agreed at the time of the making of the contract and at a specified future time, such difference being determined in accordance with the business rules or practices of the futures market at which the contract is made; or

- (b) such other contract or class of contracts as the Board may prescribe,

and includes a futures option transaction;”;

- (h) by deleting the comma at the end of paragraph (b) of the definition of “commodity market” and substituting a semi-colon;
- (i) by deleting the words “but does not include a Commodity Futures Exchange or a commodity futures market;” in the penultimate and last lines of the definition of “commodity market”;
- (j) by deleting paragraph (a) of the definition of “commodity pool operator”;
- (k) by deleting the words “, but does not include a commodity futures pool operator’s representative” in the definition of “commodity pool operator’s representative”;
- (l) by deleting the comma in the last line of the set out to paragraph (c) of the definition of “commodity trading adviser” and substituting a semi-colon;
- (m) by deleting the words “but does not include a commodity futures trading adviser;” in the penultimate and last lines of the definition of “commodity trading adviser”;