

# **Commodity Futures (Amendment) Bill**

## **Table of Contents**

**Bill No: 18/2001**

***Read the first time: 8th March 2001***

**Long Title**

**Enacting Formula**

**1 Short title and commencement**

**2 Amendment of long title**

**3 Amendment of section 1**

**4 Amendment of section 2**

**5 Amendment of section 3**

**6 Amendment of section 4**

**7 Amendment of section 6**

**8 Amendment of section 12**

**9 Amendment of section 13**

**10 New section 13A**

**11 Repeal and re-enactment of section 14 and new section 14A**

**12 Amendment of section 15**

**13 Repeal and re-enactment of section 30**

**14 Repeal and re-enactment of sections 43 to 49**

**15 Miscellaneous amendments**

**16 New Schedule**

**17 Grace period for licensing**

**Explanatory Statement**

**Expenditure of Public Money**

**Commodity Futures (Amendment) Bill**

**Bill No. 18/2001**

*Read the first time on 8th March 2001.*

An Act to amend the Commodity Futures Act (Chapter 48A of the 1993 Revised Edition) in order to expand the scope of the Act to deal with commodity futures contracts, commodity forward contracts, trading in differences, leveraged commodity trading and certain forms of spot commodity trading.

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 Futures (Amendment) Act 2001 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 Futures Act (referred to in this Act as the principal Act) is amended by inserting, immediately after the word “futures”, the words “and certain types of commodity trading”.

### **Amendment of section 1**

3. Section 1 of the principal Act is amended by deleting the word “Futures” and substituting the word “Trading”.

### **Amendment of section 2**

4. Section 2 of the principal Act is amended —

(a) by deleting the definition of “commodity” and substituting the following definitions:

“ “commodity” means any produce, item, goods or article that is the subject of any —

(a) commodity futures contract;

(b) commodity forward contract;

(c) leveraged commodity trading;

(d) contract made pursuant to trading in differences; or

(e) spot commodity trading,

and includes indices, rights and interests in such commodity;

“commodity broker” means a person whether as principal or agent who carries on the business of soliciting, or accepting orders, for the purchase or sale of any commodity by way of or relating to any commodity contract, whether or not the business is part of, or is carried on in conjunction with, any other business, but does not include a commodity futures broker;

“commodity broker’s representative” means a person who acts for, or by arrangement with, a commodity broker (other than a person who is a director of a corporation holding a commodity broker’s licence or is a person who is in the direct employment of a commodity broker) who performs any of the functions of that commodity broker in connection with trading in commodity forward contracts, or in any leveraged commodity trading, whether his remuneration is by way of commission or otherwise, but does not include a commodity futures broker’s representative;

“commodity contract” means —

- (a) a commodity forward contract;
- (b) any contract made pursuant to trading in differences with respect to a commodity; or
- (c) any contract made pursuant to a transaction in leveraged commodity trading;”;

- (b) by inserting, immediately after the definition of “commodity floor broker”, the following definition:

“ “commodity forward contract” means a contract the effect of which is that 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, but does not include a commodity futures contract;”;

- (c) by deleting the definition of “commodity futures market” and substituting the following definition:

“ “commodity futures market” means —

- (a) a market, Commodity Futures Exchange or other place, whether in Singapore or elsewhere, at which commodity futures contracts are regularly made; or
- (b) an electronic system, whether operating in Singapore or elsewhere, through which trading in commodity futures contracts is carried out, but excludes an electronic facility which merely provides price or other information relating to commodity futures contracts (whether that facility is part of or carried on in conjunction with the provision of any other information not related to commodity futures contracts) and which does not permit users of the facility to channel orders for, execute transactions in, or make markets in, commodity futures contracts;”;

- (d) by inserting, immediately after the definition of “commodity futures

trading adviser's representative", the following definitions:

““commodity market” means —

- (a) a market, whether in Singapore or elsewhere, at which commodity contracts are regularly made; or
- (b) an electronic system, whether operating in Singapore or elsewhere, through which trading in commodity contracts is carried out, but excludes an electronic facility which merely provides price or other information relating to commodity contracts (whether that facility is part of or carried on in conjunction with the provision of any other information not related to commodity contracts) and which does not permit users of the facility to channel orders for, execute transactions in, or make markets in, commodity contracts,

but does not include a Commodity Futures Exchange or a commodity futures market;

“commodity pool operator” means any person who carries on a business in the nature of a unit trust or other interest to which Division 6 of Part IV of the Companies Act (Cap. 50) applies and who, in connection therewith, accepts or receives from other persons funds, security or property, either directly or through capital contributions, the sale of shares or other forms of security or otherwise for the purpose of trading in commodity contracts but does not include —

- (a) a commodity futures pool operator; and
- (b) such persons as the Board may from time to time prescribe;

“commodity pool operator's representative” means a person in the direct employment of, or acting for, or by arrangement with, a commodity pool operator, who performs for that commodity pool operator any of the functions of a commodity pool operator, but does not include a commodity futures pool operator's representative;