

Futures Trading (Amendment) Bill

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Bill No: 3/1995

Read the first time: 23rd January 1995

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Futures Trading (Amendment) Bill

Bill No. 3/1995

Read the first time on 23rd January 1995.

An Act to amend the Futures Trading Act (Chapter 116 of the 1985 Revised Edition) and to make related amendments to the Finance Companies Act (Chapter 108).

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 Futures Trading (Amendment) Act 1995 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 Futures Trading Act (referred to in this Act as the principal Act) is amended by inserting, immediately after the words “futures contracts”, the words “and leveraged foreign exchange trading”.

Amendment of section 2

3. Section 2 of the principal Act is amended —

- (a) by inserting, immediately before the definition of “auditor”, the following definition:

“ “accredited investor” means —

- (a) an individual whose net personal assets exceed \$5 million or its equivalent in value in foreign currencies; or
- (b) a corporation with net assets exceeding \$10 million in value or its equivalent in value in foreign currencies as determined in accordance with the most recent audited balance-sheet of the corporation;”;

- (b) by inserting, immediately before the word “means” in the definition of “commodity”, the words “, in relation to a futures contract,”;

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

“ “connected person”, in relation to —

- (a) an individual, means —

- (i) the individual’s spouse, son, adopted son, step-son, daughter, adopted daughter, step-daughter, father, mother, brother or sister; and
- (ii) a firm or a corporation in which the individual or any of the persons mentioned in sub-paragraph (i) has control of not less than 20% of the voting power in the firm or corporation, whether such control is exercised individually or jointly;

- (b) a firm or a corporation, means another firm or corporation in which the first-mentioned firm or corporation has control of not less than 20% of the voting power in that other firm or corporation;”;

- (d) by inserting, immediately after the words “futures contracts” in the definition of “customer”, the words “or leveraged foreign exchange trading”;
- (e) by deleting the definitions of “futures broker” and “futures broker’s representative” and substituting the following definitions:

“ “foreign exchange market” means —

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

“foreign exchange trading” has the meaning given to it in section 2A;

“futures broker” means a person, whether as principal or agent, who —

- (a) carries on the business of soliciting or accepting orders, for the purchase or sale of any commodity under a futures contract on any Exchange or futures market whether or not that person accepts any money, securities or property (or extends credit in lieu thereof) to margin, guarantee or secure any contract or transaction that may result therefrom; or
- (b) carries on the business of leveraged foreign exchange trading,

whether the business is part of, or is carried on in conjunction with, any other business;