

# **Securities Industry (Amendment) Bill**

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**Bill No: 12/1974**

***Read the first time: 14th March 1974***

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## **Explanatory Statement**

## **Expenditure of Public Money**

### **Securities Industry (Amendment) Bill**

#### **Bill No. 12/1974**

*Read the first time on 14th March 1974.*

An Act to amend the Securities Industry Act, 1973 (No. 17 of 1973).

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 Securities Industry (Amendment) Act, 1974 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

#### **Amendment of section 2**

2. Section 2 of the Securities Industry Act, 1973 (hereinafter in this Act referred to as “the principal Act”) is hereby amended —

- (a) by inserting immediately after the word “securities” appearing in the definition of “dealer” therein the words “as a corporation”;
- (b) by deleting the expression “, where the dealer is a corporation, includes any director, member or officer of the corporation who is not the holder of a dealer’s licence and” appearing in the ninth, tenth and eleventh lines of the definition of “dealer’s representative” therein and substituting therefor the words “includes any director or officer of a corporation”;
- (c) by deleting paragraph (a) of the definition of “exempt dealer” appearing therein and substituting therefor the following: —

“(a) a person who carries on a business of dealing in securities only through the holder of a dealer’s

licence for his own account;”;

- (d) by deleting sub-paragraph (iv) of paragraph (e) of the definition of “exempt dealer” appearing therein and substituting therefor the following: —

“(iv) acquiring or disposing of securities only through the holder of a dealer’s licence;”;

- (e) by inserting immediately after the words “a dealer” appearing in the first line of paragraph (e) of the definition of “investment adviser” therein the words “or his employee or a dealer’s representative”;
- (f) by deleting the expression “, not being a dealer, stockbroker or exempt dealer,” appearing in the third and fourth lines of the definition of “investment representative” therein;
- (g) by deleting the words “where the investment adviser is a corporation includes any director, member or officer of the corporation who is not the holder of an investment adviser’s licence and” appearing in the ninth, tenth, eleventh, twelfth and thirteenth lines of the definition of “investment representative” therein and substituting therefor the words “includes any director or officer of a corporation”;
- (h) by deleting paragraph (a) of the definition of “relevant authority” and by deleting the words “firm or” appearing in the first and in the second and third lines of paragraph (b) of that definition;
- (i) by deleting the definition of “stockbroker” appearing therein and substituting therefor the following: —
- “ “stockbroker” means a person who is a member of a stock exchange and a director of a member company;”;
- and
- (j) by deleting the definitions of “member firm” and “sole trader” appearing therein.

### **Amendment of section 7**

**3.** Section 7 of the principal Act is hereby amended —

- (a) by inserting immediately after the word “Minister” appearing at the end of subsection (1) thereof the words “for approval”;
- (b) by deleting subsection (2) thereof;
- (c) by deleting subsection (3) thereof and substituting therefor the

following: —

“(3) The Minister may give notice to the stock exchange concerned that he approves the amendment or that he disapproves the whole or any specified part of the amendment in question and until such notice is given the amendment shall not have force and effect.”; and

- (d) by deleting the words “be notified of” appearing in the marginal note thereto and substituting therefor the word “approve”.

### **Amendment of section 11**

4. Subsection (2) of section 11 of the principal Act is hereby deleted.

### **Repeal and re-enactment of section 14**

5. Section 14 of the principal Act is hereby repealed and the following substituted therefor: —

#### **“Registrar to grant or renew dealer’s licence to a corporation or investment adviser’s licence to an individual or corporation in certain circumstances**

**14.—**(1) A dealer’s licence shall only be granted to a corporation.

(2) The Registrar shall grant or renew a dealer’s licence if —

- (a) after consideration of the character of the directors and secretary of the corporation and of the corporation’s financial position; and
- (b) after consideration of the interests of the public,

he is of the opinion that the applicant corporation is a fit and proper person to hold the licence applied for.

(3) The Registrar shall grant or renew an investment adviser’s licence if —

(a) after consideration —

- (i) where the applicant is an individual — of the character and financial position of the applicant;
- (ii) where the applicant is a corporation — of the character of the directors and secretary of the corporation and of the corporation’s financial position; and

(b) after consideration of the interests of the public,

he is of the opinion that the applicant is a fit and proper person to hold the licence