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**SECURITIES AND FUTURES ACT
(CHAPTER 289)**

**SECURITIES AND FUTURES
(FINANCIAL AND MARGIN REQUIREMENTS FOR
HOLDERS OF CAPITAL MARKETS SERVICES LICENCES)
(AMENDMENT) REGULATIONS 2018**

In exercise of the powers conferred by sections 100(1), 337(1) and 341 of the Securities and Futures Act, the Monetary Authority of Singapore makes the following Regulations:

Citation and commencement

1. These Regulations are the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) (Amendment) Regulations 2018 and come into operation on 8 October 2018.

Amendment of regulation 2

2. Regulation 2 of the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations (Rg 13) (called in these Regulations the principal Regulations) is amended —

(a) by deleting paragraph (b) of the definition of “customer” in paragraph (1) and substituting the following paragraph:

“(b) with whom the holder of a licence enters or will enter into a transaction as principal for the sale or purchase of capital markets products;”;

(b) by deleting the definition of “futures contract” in paragraph (1);

- (c) by deleting the definitions of “open purchase contract”, “open sale contract” and “public authority” in paragraph (1) and substituting the following definitions:

““open purchase contract” means any contract to purchase specified products which is not yet due for payment in accordance with the business rules of an approved exchange, a recognised market operator or an overseas exchange, or the terms of the contract, as the case may be;

“open sale contract” means any contract to sell specified products which are not yet due for delivery in accordance with the business rules of an approved exchange, a recognised market operator or an overseas exchange, or the terms of the contract, as the case may be;”;

- (d) by deleting the word “securities” in paragraph (f) of the definition of “qualifying subordinated loan” in paragraph (1) and substituting the words “specified products”;

- (e) by deleting the definitions of “recognised group A exchange” and “recognised group B exchange” in paragraph (1) and substituting the following definitions:

““recognised group A exchange” means an overseas exchange regulated by a financial services regulatory authority of a country or territory specified under the heading “*Country or Territory of Group A Exchanges*” in Table 4 of the Fourth Schedule;

“recognised group B exchange” means an overseas exchange regulated by a financial services regulatory authority of a country or territory specified under the heading “*Country or Territory of Group B Exchanges*” in Table 4 of the Fourth Schedule;”;

- (f) by deleting “22(2)(b)(ii)” in paragraph (2) and substituting “22(2)(b)(iii)”.

Amendment of regulation 4

3. Regulation 4 of the principal Regulations is amended by deleting the word “securities” in paragraph (3)(a)(ii).

New regulation 4A

4. The principal Regulations are amended by inserting, immediately after regulation 4, the following regulation:

“Exemption from regulation 4(1)

4A.—(1) A specified holder of a licence who maintains a base capital of \$150,000 is exempt from complying with regulation 4(1) until 8 October 2019.

(2) In paragraph (1), a specified holder of a licence is a person who —

- (a) was granted a licence to carry on business in dealing in capital markets products between 8 October 2018 and 7 October 2019 (both dates inclusive); and
- (b) immediately before 8 October 2018, was a holder of a financial adviser’s licence for the marketing of any collective investment scheme under section 13(1) of the Financial Advisers Act (Cap. 110).”.

Amendment of regulation 6

5. Regulation 6 of the principal Regulations is amended by deleting paragraph (5).

Deletion and substitution of regulation 15

6. Regulation 15 of the principal Regulations is deleted and the following regulation substituted therefor:

“Holder of licence

15. In this Part, unless the context otherwise requires, “holder of a licence” means a corporation that is one or more of the following:

- (a) the holder of a licence to deal in capital markets products which is a member of an approved exchange, not including the holder of a licence —
 - (i) which does not carry any customer’s position, margin or account in its own books; and
 - (ii) which either —
 - (A) deals in capital markets products solely with one or more of the following types of investors:
 - (AA) accredited investors;
 - (AB) expert investors;
 - (AC) institutional investors; or
 - (B) carries on the business of soliciting or accepting orders for the purchase or sale of any capital markets products from any customer, and no other business;
 - (b) the holder of a licence which is a member of an approved clearing house,
- whether or not the corporation is also permitted to carry on business in any other regulated activity.”.

Amendment of regulation 16

7. Regulation 16 of the principal Regulations is amended by deleting paragraph (4).

Amendment of regulation 19

8. Regulation 19(1) of the principal Regulations is amended by deleting the words “securities or trade in futures contracts, or both,” and substituting the words “capital markets products”.

Amendment of regulation 23

9. Regulation 23 of the principal Regulations is amended by deleting the words “securities or trade in futures contracts” and substituting the words “capital markets products”.

Amendment of regulation 24

10. Regulation 24 of the principal Regulations is amended —

- (a) by deleting the words “securities, other than securities quoted on a securities exchange” in paragraph (3)(b) and substituting the words “specified products, other than specified products quoted on an approved exchange”;
- (b) by inserting, immediately after paragraph (a) of the definition of “acceptable collateral” in paragraph (6), the following paragraph:

“(aa) gold;”;
- (c) by deleting the words “public authority” in paragraph (d)(i) of the definition of “acceptable collateral” in paragraph (6) and substituting the words “public entity”;
- (d) by deleting paragraph (i) of the definition of “acceptable collateral” in paragraph (6) and substituting the following paragraph:

“(i) specified products in an initial public offer that are to be listed for quotation or to be quoted on the Singapore Exchange Securities Trading Limited, and which have been fully paid for by a customer of the holder of a licence;”;
- (e) by deleting the word “securities” in paragraphs (j) and (k) of the definition of “acceptable collateral” in paragraph (6) and substituting in each case the words “specified products”;
- (f) by deleting the words “securities listed for quotation on any securities exchange or overseas securities exchange” in the definition of “exchange traded fund” in