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

**SECURITIES AND FUTURES
(LICENSING AND CONDUCT OF BUSINESS)
(AMENDMENT NO. 2) REGULATIONS 2018**

In exercise of the powers conferred by sections 99(4), 100, 104(2), 337 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 (Licensing and Conduct of Business) (Amendment No. 2) Regulations 2018 and come into operation on 8 October 2018.

Amendment of regulation 2

2. Regulation 2 of the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10) (called in these Regulations the principal Regulations) is amended —

(a) by inserting, immediately after the definition of “advertisement”, the following definitions:

““approved global trading company” means a global trading company approved under section 43P of the Income Tax Act (Cap. 134);

“associated corporation”, in relation to a corporation (*A*), means —

(a) any corporation (*B*) in which *A* or *A*’s subsidiary has, or *A* and *A*’s subsidiary together have, an interest in shares entitling the beneficial owners of those shares the right to

cast, whether by proxy or in person, not less than 20% but not more than 50% of the total votes able to be cast at a general meeting of *B*; or

- (*b*) any corporation (*C*), other than a subsidiary of *A* or a corporation which is an associated company of *A* by virtue of paragraph (*a*), the policies of which *A* or *A*'s subsidiary is, or *A* together with *A*'s subsidiary, are able to control or influence materially;

“board” means the board of directors;”;

- (*b*) by inserting, immediately after the definition of “bond”, the following definition:

““booked in Singapore”, in relation to an OTC derivatives contract, means the entry of the OTC derivatives contract on the balance-sheet or the profit and loss accounts of a person who is a party to the OTC derivatives contract, where —

- (*a*) that person's place of business is in Singapore; and
- (*b*) the balance-sheet or the profit and loss accounts relate to that person's business in Singapore;”;

- (*c*) by inserting, immediately after the definition of “electronic record”, the following definitions:

““executive director” means a director who is concurrently an executive officer;

“foreign exchange OTC derivatives contract” or “FX OTC derivatives contract” means an OTC derivatives contract —

- (a) which is entered into by one party providing to the other party money, securities, property or other collateral which represents only a part of the value of the contract; and
 - (b) the value of which is determined by reference to, is derived from, or varies by reference to —
 - (i) the value or amount of any currency or currency index; or
 - (ii) fluctuations in the values or amounts of any currency or currency index;”;
- (d) by deleting the words “securities issued” in the definition of “Government securities” and substituting the words “specified products issued”;
- (e) by inserting, immediately after the definition of “guideline issued by the Authority”, the following definition:
 - ““immediate family”, in relation to an individual, means the individual’s spouse, son, adopted son, stepson, daughter, adopted daughter, stepdaughter, father, stepfather, mother, stepmother, brother, stepbrother, sister or stepsister;”;
- (f) by deleting the words “securities, trading in futures contracts or carrying out leveraged foreign exchange trading,” in the definition of “Internet-based trading platform” and substituting the words “capital markets products”;
- (g) by inserting, immediately after the definition of “Internet-based trading platform”, the following definition:
 - ““non-executive director” means a director who is not an executive director;”;

- (h) by deleting the definition of “position” and substituting the following definition:

““over-the-counter derivatives contract” or “OTC derivatives contract” means a derivatives contract that is not an exchange-traded derivatives contract;” and

- (i) by inserting, immediately after the definition of “Registered Fund Management Company”, the following definitions:

““real estate investment trust” or “REIT” means a collective investment scheme —

(a) that is authorised under section 286 of the Act or recognised under section 287 of the Act;

(b) that is a trust;

(c) that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes; and

(d) all or any of the units of which are listed for quotation on an approved exchange;

“retail customer” means a customer other than an accredited investor, expert investor or institutional investor;”.

Amendment of regulation 4

3. Regulation 4 of the principal Regulations is amended —

- (a) by deleting the words “to deal in securities” in paragraph (1)(a) and substituting the words “to deal in capital markets products that are listed specified products”;
- (b) by deleting the words “Form 15” in paragraph (1)(i);

(c) by deleting the word “securities” wherever it appears in paragraphs (1)(i) and (ii), (2), (3)(a) and (4) and in the regulation heading and substituting in each case the words “listed specified products”; and

(d) by deleting paragraph (5) and substituting the following paragraph:

“(5) In this regulation and regulation 4A, “listed specified products” means specified products that are listed for quotation, or quoted on an organised market that is operated by an approved exchange or a recognised market operator.”.

Amendment of regulation 4A

4. Regulation 4A of the principal Regulations is amended —

(a) by deleting the word “securities” in paragraphs (1), (2) and (6) and substituting in each case the words “listed specified products”; and

(b) by deleting paragraphs (3), (4) and (5).

Amendment of regulation 5

5. Regulation 5 of the principal Regulations is amended by deleting paragraphs (4), (5), (6) and (7).

Amendment of regulation 6

6. Regulation 6 of the principal Regulations is amended by inserting, immediately after paragraph (6), the following paragraph:

“(7) Where the holder of a capital markets services licence licensed to carry on business in dealing in capital markets products is granted the licence subject to a condition or restriction restricting the holder to one or more types of capital markets products in respect of which the holder may carry on that business, the amount of the licence fee payable to the Authority is the sum of the fees specified in the Third Schedule for the types of capital markets products in respect of which the holder may carry on that business.”.