

# **Securities and Futures (Market Conduct) (Exemptions) Regulations 2002**

## **Table of Contents**

### **Enacting Formula**

#### **1 Citation and commencement**

#### **2 Definitions**

#### **3 Exemption for stabilising action during initial public offer**

#### **4 Exemption in bond dealings**

#### **5 Exemption from sections 218 and 219 of Act in certain circumstances**

### **THE SCHEDULE Maximum Prices for Stabilising Action**

**No. S 459**

## **SECURITIES AND FUTURES ACT 2001 (ACT 42 OF 2001)**

### **SECURITIES AND FUTURES (MARKET CONDUCT) (EXEMPTIONS) REGULATIONS 2002**

In exercise of the powers conferred by section 337(1) of the Securities and Futures Act 2001, the Monetary Authority of Singapore hereby makes the following Regulations:

#### **Citation and commencement**

**1.** These Regulations may be cited as the Securities and Futures (Market Conduct) (Exemptions) Regulations 2002 and shall come into operation on 1st October 2002.

## Definitions

2. In these Regulations, unless the context otherwise requires —

“dealer” means a person who is the holder of a capital markets services licence to deal in securities;

“Exchange” means the Singapore Exchange Securities Trading Limited;

“initial public offer”, in relation to securities, means the first public offer for subscription or sale of those securities in conjunction with the listing of those securities on the Exchange;

“issuer”, in relation to an initial public offer, means the person who issues the securities that are the subject of the initial public offer or, where the securities have been issued, the person making the offer to sell the securities;

“relevant securities”, in relation to any stabilising action, means the securities in respect of which the stabilising action has been, is being, or will be taken, as the case may be;

“stabilising action” means the action a stabilising manager of an issue of securities takes in going into the securities market to buy or agree to buy the relevant securities in order to stabilise or maintain the market price of the relevant securities;

“stabilising manager” means such manager as may be designated in writing by the issuer of an initial public offer of securities and notified to the Exchange before the closing date of the initial public offer.

## Exemption for stabilising action during initial public offer

3.—(1) Sections 197, 198, 218(2) and 219(2) of the Act shall not apply in relation to any stabilising action —

- (a) referred to in paragraph (2); and
- (b) which is carried out by a stabilising manager or a dealer and in accordance with the provisions of this regulation.

(2) Paragraph (1) applies to any stabilising action taken in respect of an initial public offer of securities where —

- (a) the securities are to be listed on the Exchange;
- (b) provision has been made in the prospectus for an over-allotment option in respect of the initial public offer, not exceeding 15% of the total number of securities offered for subscription or sale in the initial public offer before

any over-allotment;

- (c) the prospectus states that the securities may be subject to stabilising action and specifies the maximum period during which stabilising action may be taken; and
- (d) a public announcement has been made through the Exchange not later than the day immediately following the closing date of the initial public offer of securities on the total number of securities which is the subject of the over-allotment option in accordance with the prospectus.

(3) The stabilising manager shall comply with paragraphs (4) to (15).

(4) The stabilising manager —

- (a) shall only take stabilising action after he is reasonably satisfied that the price of the relevant securities on the Exchange is not false or misleading; and
- (b) shall only continue with the stabilising action if he is reasonably satisfied that the price of the relevant securities has not become false or misleading other than by reason of that stabilising action.

(5) The stabilising manager shall, before taking stabilising action, ensure that, by the closing date of the initial public offer, it has been agreed that an over-allotment of securities may be made in accordance with the prospectus.

(6) No stabilising action shall be effected after —

- (a) the date of expiry of the period of 30 calendar days from the date of commencement of dealing in the relevant securities on the Exchange; or
- (b) the date when the over-allotment of the relevant securities as announced in accordance with paragraph (2)(d) has been fully covered either through the purchase of the relevant securities on the Exchange or the exercise of the over-allotment option by the stabilising manager, or through both,

whichever is the earlier.

(7) No stabilising action shall be effected at a price higher than any price specified in the second column of the Schedule under the circumstances corresponding to that price in the first column thereof.

(8) Subject to paragraph (9), the stabilising manager shall not effect or cause to be effected, directly or indirectly, any sell order of the relevant securities prior to the commencement of each stabilising action or during the period in which stabilising action is permitted under this regulation.