

Securities Industry (Amendment) Regulations 2000

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No. S 107

SECURITIES INDUSTRY ACT (CHAPTER 289)

SECURITIES INDUSTRY (AMENDMENT) REGULATIONS 2000

In exercise of the powers conferred by sections 2 (2) and 118 of the Securities Industry Act, the Monetary Authority of Singapore hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Securities Industry (Amendment) Regulations 2000 and shall come into operation on 6th March 2000.

Amendment of regulation 7

2. The Securities Industry Regulations (Rg 1) (referred to in these Regulations as the principal Regulations) are amended by renumbering regulation 7 as paragraph (1) of that regulation, and by inserting immediately thereafter the following paragraph:

“(2) Payment of fees may be made through such electronic funds transfer system as the Authority may designate from time to time, whereby payment may be effected by directing the transfer of funds electronically from the bank account of the payer to a bank account designated by the Authority.”.

Amendment of regulation 20

3. Regulation 20 (4) of the principal Regulations is amended by deleting sub-paragraph (a) and substituting the following sub-paragraph:

“(a) in relation to each client’s cash account —

- “(i) the excess of amount owed by the client over the market value of the underlying securities of which the client had failed to take delivery more than 7 calendar days after the due date and of any additional securities lodged by the client with the non-member dealer as collateral;
- (ii) where any purchase or sale contract has been offset by a contra transaction on or before the due date, the amount of the contra loss, if any, on the date on which the contra transaction takes effect; and
- (iii) where any purchase or sale contract has been offset by a forced-sale or buying-in transaction after the due date, the amount of the loss, if any, arising from the forced-sale or buying-in transaction on the date on which the transaction takes effect;”.

Amendment of regulation 41

4. Regulation 41 (5) of the principal Regulations is amended —

- (a) by deleting the words “of commencement of business” immediately after the words “as may be required” in sub-paragraph (a);
- (b) by deleting the words “of cessation of business” immediately after the words “as may be required” in sub-paragraph (b); and
- (c) by deleting the word “business” immediately before the word “days” in sub-paragraphs (a), (aa) and (b).

New regulations 50A and 50B

5. The principal Regulations are amended by inserting, immediately after regulation 50, the following regulations:

“Trust accounts with foreign custodians

50A.—(1) For the purpose of section 55A of the Act, “foreign custodian” means a financial institution or corporation which —

- (a) is licensed, registered or authorised to conduct banking business, or to act as a custodian, in its country or territory of operation; and
- (b) has an individual rating of at least “B” by Fitch IBCA, an issuer rating of at least “B” by Thomson BankWatch, a financial strength rating of at least “B” by Moody’s or a long-term issuer credit rating of at least “AA-” by Standard and Poor’s.

(2) Where a person with whom a dealer or an investment adviser has established and maintained a trust account as a foreign custodian ceases to meet any of the requirements set out in paragraph (1), such dealer or investment adviser shall, within 14 days thereafter, terminate such trust account with that person, but may establish and maintain a trust account with another foreign custodian.

Amounts to be paid out of fidelity funds

50B.—(1) For the purposes of section 86(5) of the Act, the prescribed amount shall be the sum of \$2 million.

(2) For the purposes of section 86(6) of the Act, the prescribed amount shall be the sum of \$50,000.”.

Amendment of Second Schedule

6. The Second Schedule to the principal Regulations is amended —

- (a) by inserting, immediately after the words “Dealer’s Representatives’ Examination Statement,” in the 3rd line of paragraph 1 of item VI in Form 6, the words “and/or the Investment Representatives’ Examination Statement,”;
- (b) by inserting, at the end of item VI in Form 6, the following: