

# **Securities and Futures (Clearing Facilities) Regulations**

## **Table of Contents**

### **Part I PRELIMINARY**

#### **1 Citation**

#### **2 Definitions**

#### **3 Forms**

#### **4 Application for approval as clearing house**

#### **5 Fee**

#### **6 Time for document to be lodged**

#### **7 Keeping of books and other information**

### **Part II GOVERNANCE, REPORTING AND OPERATIONAL REQUIREMENTS**

#### **8 Application for appointment of chief executive officer, director and key management officer**

#### **9 Appeals**

#### **10 Responsibilities and duties of chief executive officer, director and key management officer**

#### **11 Submission of reports**

#### **12 Annual report**

#### **13 Determination of position limits by clearing house**

#### **14 Breach of business rules of clearing house**

**15 Business continuity plan**

**Part III CUSTOMERS' MONEY AND OTHER ASSETS**

**15A Application of this Part**

**16 Customers' money and assets held by clearing house**

**17 Permissible use of customers' money and assets by clearing house**

**18 Permissible investments of customers' money by clearing house**

**19 Daily computation of customers' money and assets**

**20 Verification of money and assets placed with clearing house**

**Part IV INSOLVENCY PROVISIONS**

**21 Winding down and transfer of positions, margins and accounts of member of clearing house**

**22 Application of Division 3 of Part III of Act**

**Part V OFFENCES**

**23 Offences**

**Part VI TRANSITIONAL AND SAVINGS**

**24 Deemed clearing house**

**25 Directions to deemed clearing house**

**THE SCHEDULE Forms**

**Legislative History**

SECURITIES AND FUTURES ACT  
(CHAPTER 289, SECTIONS 53, 64, 341 AND 343)

SECURITIES AND FUTURES (CLEARING FACILITIES) REGULATIONS

Rg 9

G.N. No. S 456/2002

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PART I

PRELIMINARY

**Citation**

1. These Regulations may be cited as the Securities and Futures (Clearing Facilities) Regulations.

**Definitions**

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

“annual report” means the audited profit and loss accounts, audited balance-sheet and auditors’ report, by whatever name called, of a clearing house;

“chief executive officer” means any person, by whatever name called, who is in the direct employment of, or acting for or by arrangement with, a clearing house, and who is principally responsible for the management and conduct of the business of the clearing house;

“customer” means a person on whose behalf a member of the clearing house carries on any activity regulated under the Act but does not include —

- (a) the member itself with respect to dealings for the proprietary account of the holder;
- (b) any director, officer, employee or representative of the member; or
- (c) a related corporation of the member with respect to instructions accepted to deal for an account belonging to and maintained wholly for the benefit of that related corporation;

“futures equivalent” means an option contract which has been adjusted by that option contract’s risk factor or delta coefficient, such risk factor or delta coefficient being calculated at the previous day’s close of trading or at such other time as the Authority may determine;

“key management officer” means any person who is appointed to a key management position referred to in regulation 8(3);

“position”, in relation to a futures contract, means a futures contract which is still outstanding and which has not been liquidated —

- (a) by an off-setting transaction;
- (b) by delivery of the commodity underlying the futures contract;
- (c) through settlement of the futures contract in accordance with the business rules of a futures exchange or the practices of a futures market or a recognised trading system provider, as the case may be; or
- (d) by substituting the futures contract for cash commodity.

(2) Any word or expression used in these Regulations which is defined in section 49 of the Act shall, unless the context otherwise requires, have the same meaning as in that section.

## **Forms**

3.—(1) The forms mentioned in these Regulations are those set out in the Schedule.

(2) Where any provision of these Regulations provides for the lodgment of a document with the Authority, that document shall be lodged with the Authority in the relevant form.

(3) A form prescribed by these Regulations shall be completed in the English language and in accordance with such directions as may be specified in the form or by the Authority.

(4) The Authority may refuse to accept any form that is not completed in accordance with this regulation.

## **Application for approval as clearing house**

4. An application for approval as a clearing house shall be lodged with the Authority in Form 1 together with —

- (a) Forms A and B;

- (b) a copy of the rules of the clearing house, which has been certified to be a true copy by the persons signing the application; and
- (c) any relevant annex and information specified in the Form.

### **Fee**

**5.**—(1) A fee of \$2,000 shall be payable to the Authority on the lodgment of an application for approval as a clearing house, and shall not be refundable.

(2) Payment of the fee referred to in paragraph (1) may be made through such electronic funds transfer system as the Authority may designate from time to time, whereby payment is effected by directing the transfer of funds electronically from the bank account of the person making payment to a bank account designated by the Authority.

### **Time for document to be lodged**

**6.** Where a document is required to be lodged with the Authority under Part III of the Act or under these Regulations but the period within which the document is to be lodged is not specified, the document shall be lodged within 14 days after the occurrence of the event to which the document relates.

### **Keeping of books and other information**

**7.** A clearing house shall ensure that all relevant books and other information as may be required by the Authority for the purposes of section 57(1) of the Act are kept for a minimum of 6 years.

## **PART II**

### **GOVERNANCE, REPORTING AND OPERATIONAL REQUIREMENTS**

#### **Application for appointment of chief executive officer, director and key management officer**

**8.**—(1) No clearing house shall appoint a person as its chief executive officer or director unless such clearing house has obtained the approval of the Authority.

(2) For the purposes of paragraph (1), the clearing house shall submit to the Authority in Form 2 an application for approval of the appointment of a person as its chief executive officer or director.

(3) Where the Authority in writing requires a clearing house to submit an application