REPUBLIC OF SINGAPORE

GOVERNMENT GAZETTE

ACTS SUPPLEMENT

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The following Act was passed by Parliament on 9 January 2017 and assented to by the President on 10 February 2017:—

REPUBLIC OF SINGAPORE

No. 4 of 2017.

I assent.

TONY TAN KENG YAM,
President.
10 February 2017.

LS

An Act to amend the Securities and Futures Act (Chapter 289 of the 2006 Revised Edition) and to make consequential and related amendments to certain other Acts.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act is the Securities and Futures (Amendment) Act 2017 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

Amendment of long title

2. The long title to the Securities and Futures Act (called in this Act the principal Act) is amended by deleting the words "securities, futures and derivatives industry, including leveraged foreign exchange trading, and of clearing facilities," and substituting the words "securities and derivatives industry, including leveraged foreign exchange trading, of financial benchmarks and of clearing facilities,".

Amendment of section 2

3. Section 2(1) of the principal Act is amended —

(*a*) by inserting, immediately before the definition of "advising on corporate finance", the following definitions:

" "administering a designated benchmark" means —

(*a*) controlling the development of the definition of a designated benchmark for the purpose of determining a designated benchmark;

(*b*) controlling the development of the methodology of determining a designated benchmark;

(*c*) controlling the review of the definition of a designated benchmark for the purpose of determining a designated benchmark;

(*d*) controlling the review of the methodology of determining a designated benchmark;

(*e*) managing any arrangements, processes or mechanisms for the purpose of determining a designated benchmark;

(*f*) collecting, analysing or processing any information or expression of opinion for the purpose of determining a designated benchmark;

(*g*) applying a formula or other methods of calculation to information or expressions of opinion in order to determine a designated benchmark; or

(*h*) monitoring and conducting surveillance of any information or expressions of opinion provided for the purpose of determining a designated benchmark,

but does not include providing information in relation to a designated benchmark or any act that is necessary or incidental to providing such information;

"administering a financial benchmark" means —

(*a*) controlling the development of the definition of a financial benchmark for the purpose of determining a financial benchmark;

(*b*) controlling the development of the methodology of determining a financial benchmark;

(*c*) controlling the review of the definition of a financial benchmark for the purpose of determining a financial benchmark;

(*d*) controlling the review of the methodology of determining a financial benchmark;

(*e*) managing any arrangements, processes or mechanisms for the purpose of determining a financial benchmark;

(*f*) collecting, analysing or processing any information or expression of opinion for the purpose of determining a financial benchmark;

(*g*) applying a formula or other methods of calculation to information or expressions of opinion in order to determine a financial benchmark; or

(*h*) monitoring and conducting surveillance of any information or expressions of opinion provided for the purpose of determining a financial benchmark,

but does not include providing information in relation to a financial benchmark or any act that is necessary or incidental to providing such information;";

(*b*) by inserting, immediately after the definition of "auditor", the following definitions:

" "authorised benchmark administrator" means a corporation that is authorised by the Authority under section 123F(1) as an authorised benchmark administrator;

"authorised benchmark submitter" means a corporation that is authorised by the Authority under section 123ZE(1) as an authorised benchmark submitter;";

(*c*) by deleting the words "a securities exchange, a futures exchange," in the definition of "business rules" and substituting the words "an approved exchange,";

(*d*) by deleting the words "securities exchange, futures exchange," wherever they appear in the definition of "business rules" and substituting in each case the words "approved exchange,";

(*e*) by deleting the words "a securities exchange or recognised market operator (which is an overseas securities exchange)" in the definition of "business rules" and substituting the words "an approved exchange or a recognised market operator (which is an overseas exchange)";

(*f*) by deleting the words "futures contracts, contracts or arrangements for the purposes of foreign exchange trading, contracts or arrangements for the purposes of leveraged foreign exchange trading," in the definition of "capital markets products" and substituting the words "units in a collective investment scheme, derivatives contracts, spot foreign exchange contracts for the purposes of leveraged foreign exchange trading,";

(*g*) by deleting the definition of "chief executive officer" and substituting the following definition:

" "chief executive officer", in relation to an approved exchange, a recognised market operator, a licensed trade repository, a licensed foreign trade repository, an approved clearing house, a recognised clearing house, an approved holding company, the holder of a capital markets services licence, an authorised benchmark administrator, an authorised benchmark submitter, a designated benchmark submitter or any other corporation (called in this definition a relevant person) means any person, by whatever name called, who is —

(*a*) in the direct employment of, or acting for or by arrangement with, the relevant person; and

(*b*) principally responsible for the management and conduct of the business of the relevant person in Singapore;";

(*h*) by deleting the words "a securities exchange; or" in paragraph (*a*)(iii) of the definition of "closed-end fund" and substituting the words "an approved exchange;";

(*i*) by inserting, immediately after paragraph (*a*) of the definition of "closed-end fund", the following paragraph:

"(*aa*) an arrangement mentioned in paragraph (*a*) of that definition which —

(i) has all of the following characteristics:

(A) the arrangement is constituted in the form of an entity or as a trust on or after 1 July 2013;

(B) under the investment policy of the arrangement, investments are made for the purpose of giving participants in the arrangement the benefit of the results of the investments of the arrangement;

(C) the arrangement does not carry on any business other than investment business and does not carry on any activity other than any activity that is solely incidental to the investment business; and

(ii) has at least one of the following characteristics:

(A) the investment policy of the arrangement is clearly set out in a document that is provided to each participant in the arrangement before, or at the time, the participant first invests in the arrangement;

(B) the entity or trust of which the arrangement is constituted is contractually bound to every participant in the arrangement to comply with the investment policy of the arrangement, as may be amended from time to time;

(C) the investment policy of the arrangement sets out the types of property which the arrangement is authorised to invest in, and the investment guidelines or restrictions that apply to the arrangement; or";

(*j*) by deleting paragraph (*a*) of the definition of "collective investment scheme" and substituting the following paragraph:

"(*a*) an arrangement in respect of any property —

(i) under which the participants do not have day-to-day control over the management of the property, whether or not the participants have the right to be consulted or to give directions in respect of such management;

(ii) under which either or both of the following characteristics are present:

(A) the property is managed as a whole by or on behalf of a manager;

(B) the contributions of the participants, and the profits or income out of which payments are to be made to the participants, are pooled; and

(iii) under which either or both of the following characteristics are present:

(A) the effect of the arrangement is to enable the participants (whether by acquiring any right, interest, title or benefit in the property or any part of the property or otherwise) —

(AA) to participate in or receive profits, income, or other payments or returns arising from the acquisition, holding, management, disposal, exercise, redemption or expiry of, any right, interest, title or benefit in the property or any part of the property; or

(AB) to receive sums paid out of such profits, income, or other payments or returns;

(B) the purpose, purported purpose or purported effect of the

arrangement is to enable the participants (whether by acquiring any right, interest, title or benefit in the property or any part of the property or otherwise) —

(BA) to participate in or receive profits, income, or other payments or returns arising from the acquisition, holding, management, disposal, exercise, redemption or expiry of, any right, interest, title or benefit in the property or any part of the property; or

(BB) to receive sums paid out of such profits, income, or other payments or returns,

whether or not —

(I) the arrangement provides for the participants to receive any benefit other than those set out in sub-paragraph (BA) or (BB) in the event that the purpose, purported purpose or purported effect is not realised; or

(II) the purpose, purported purpose or purported effect is realised; or";

(*k*) by inserting, immediately after paragraph (x) of the definition of "collective investment scheme", the following paragraphs:

"(xi) an arrangement under which the whole amount of each participant's contribution is a deposit as defined in section 4B of the Banking Act (Cap. 19);

(xi*a*) an arrangement of which —

(A) the predominant purpose is to enable the participants to share in the use or enjoyment of the property or to make its use or enjoyment available gratuitously to others; and

(B) the property does not consist of any of the following:

(BA) any currency of any country or territory;

(BB) any capital markets products;

(BC) any policy as defined in the First Schedule to the Insurance Act (Cap. 142);

(BD) any deposit as defined in section 4B of the Banking Act (Cap. 19);

(BE) any credit facilities as defined in section 2(1) of the Banking Act;";

(*l*) by deleting the definition of "commodity" and substituting the following definition:

" "commodity" means —

(*a*) any produce, item, goods or article;

(*b*) any index, right or interest in any produce, item, goods or article; or

(*c*) any index, right, interest, tangible property or intangible property of any nature that is, or belongs to a class of indices, rights, interests, tangible properties or intangible properties that is, prescribed for the purposes of this definition,

but does not include —

(i) any produce, item, goods or article that is, or that belongs to a class of produce, items, goods or articles that is, prescribed not to be a commodity for the purposes of this definition; or

(ii) any index, right or interest in any produce, item, goods or article that is, or that belongs to a class of indices, rights or interests that is, prescribed not to be a commodity for the purposes of this definition;";

(*m*) by deleting sub-paragraph (ii) of paragraph (*a*) of the definition of "customer" and substituting the following sub-paragraph:

"(ii) for the purposes of Part V —

(A) a person on whose behalf the holder carries on or will carry on any regulated activity; or

(B) any other person with whom the holder, as principal, enters or will enter into transactions

for the sale or purchase of capital markets products,

but does not include such person or class of persons as may be prescribed for the purposes of this sub-paragraph; or";

(*n*) by deleting the words "or a recognised clearing house," in paragraph (*b*) of the definition of "customer" and substituting the words ", a recognised clearing house or a recognised market operator,";

(*o*) by deleting the definition of "dealing in securities" and substituting the following definition:

" "dealing in capital markets products" has the meaning given to it in the Second Schedule;";

(*p*) by deleting the definition of "debenture" and substituting the following definition:

" "debenture" includes —

(*a*) any debenture stock, bond, note and any other debt securities issued by or proposed to be issued by a corporation or any other entity, whether constituting a charge or not, on the assets of the issuer;

(*b*) any debenture stock, bond, note and any other debt securities issued by or proposed to be issued by a trustee-manager of a business trust in its capacity as trustee-manager of the business trust, or a trustee of a real estate investment trust in its capacity as trustee of the real estate investment trust, whether constituting a charge or not, on the assets of the business trust or real estate investment trust; or

(*c*) such other product or class of products as the Authority may prescribe,

but does not include —

(i) a cheque, letter of credit, order for the payment of money or bill of exchange; or

(ii) for the purposes of the application of this definition to a provision of this Act in respect of which any regulations made under that provision provide that the word "debenture" does not include a prescribed document or a document included in a prescribed class of documents, that document or a document included in that class of documents, as the case may be;";

(*q*) by deleting the definition of "derivatives contract" and substituting the following definitions:

" "derivatives contract" means —

(*a*) any contract or arrangement under which —

(i) a party to the contract or arrangement is required to, or may be required to, discharge all or any of its obligations under the contract or arrangement at some future time; and

(ii) the value of the contract or arrangement is determined (whether directly or indirectly, or whether wholly or in part) by reference to, is derived from, or

varies by reference to, either of the following:

(A) the value or amount of one or more underlying things;

(B) fluctuations in the values or amounts of one or more underlying things; or

(*b*) any contract or arrangement that is, or that belongs to a class of contracts or arrangements that is, prescribed to be a derivatives contract,

but does not include —

(i) securities;

(ii) any unit in a collective investment scheme;

(iii) a spot contract;

(iv) a deposit as defined in section 4B of the Banking Act (Cap. 19), where the deposit is accepted by a bank licensed under that Act or a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186);

(v) a deposit as defined in section 2 of the Finance Companies Act (Cap. 108), where the deposit is accepted by a finance company as defined in that section of that Act;

(vi) any contract of insurance in relation to any class of insurance business specified in section 2(1) of the Insurance Act (Cap. 142); or

(vii) any contract or arrangement that is, or that belongs to a class of contracts or arrangements that is, prescribed not to be a derivatives contract;

"designated benchmark" means a financial benchmark that is designated by the Authority under section 123B to be a designated benchmark;

"designated benchmark submitter" means a corporation that is designated by the Authority under section 123ZI(1) to be a designated benchmark submitter;";

(*r*) by deleting the definitions of "executive officer" and "exempt market operator" and substituting the following definitions:

" "exchange-traded derivatives contract" means a derivatives contract —

(*a*) that is executed on an organised market and is or will be cleared or settled by a clearing facility under an arrangement, process, mechanism or service by which the parties to the derivatives contract substitute or will substitute, through novation or otherwise, the credit of the clearing facility for the credit of the parties to the derivatives contract; and

(*b*) the contractual terms (other than price) of which —

(i) are in the same form as the contractual terms of other derivatives contracts of the same type that are executed on the organised market on which

the derivatives contract is executed; and

(ii) conform to a standard that is provided under the business rules or practices of the organised market on which the derivatives contract is executed,

but does not include —

(A) any contract under which every contractual term can be negotiated; or

(B) any derivatives contract that is, or that belongs to a class of derivatives contracts that is, prescribed not to be an exchange-traded derivatives contract;

"executive officer", in relation to an approved exchange, a recognised market operator, a licensed trade repository, a licensed foreign trade repository, an approved clearing house, a recognised clearing house, an approved holding company, the holder of a capital markets services licence, an authorised benchmark administrator, an authorised benchmark submitter, a designated benchmark submitter or any other corporation (called in this definition a relevant person), means any person, by whatever name called, who is —

(*a*) in the direct employment of, or acting for or by arrangement with, the relevant person; and

(*b*) concerned with or takes part in the management of the relevant person on a day-to-day basis;

"exempt benchmark administrator" means a person who is exempted under section 123K(1) from the requirement to be an authorised benchmark administrator;

"exempt benchmark submitter" means a person who is exempted under section 123ZH(1) from the requirement to be an authorised benchmark submitter;";

(*s*) by inserting, immediately after the definition of "exempt person", the following definition:

" "financial benchmark" means —

(*a*) any price, rate, index or value that is —

(i) determined periodically by the application (whether direct or indirect) of a formula or any other method of calculation to information or expressions of opinion concerning transactions in, or the state of, the market in respect of one or more underlying things;

(ii) made available to the public (whether free of charge or for payment); and

(iii) used for reference —

(A) to determine the interest payable or other sums due on deposits or credit facilities;

(B) to determine the price or value of any investment product as defined in section 2(1) of the

Financial Advisers Act (Cap. 110); or

(C) to measure the performance of any product offered by a person who is, or who belongs to a class of persons which is, prescribed by regulations made under section 341; or

(*b*) such other price, rate, index or value as may be prescribed by regulations made under section 341 as a financial benchmark,

but does not include —

(i) a price, rate, index or value determined by, or on behalf of, the Government or a statutory body established under any Act, unless that price, rate, index or value is prescribed as a financial benchmark;

(ii) a price, rate, index or value determined by a person which is intended to be for the person's exclusive use in transactions or agreements entered into, or to be entered into, by the person, unless that price, rate, index or value is prescribed as a financial benchmark;

(iii) the price of a capital markets product; or

(iv) such other price, rate, index or value as may be prescribed by regulations

made under section 341 as not being a financial benchmark;";

(*t*) by deleting the words "share, share index, stock, stock index, debenture, bond index," in the definition of "financial instrument" and substituting the words "securities, securities index,";

(*u*) by deleting the definitions of "foreign exchange trading" and "forward contract";

(*v*) by deleting the definition of "futures contract" and substituting the following definition:

" "futures contract" means —

(*a*) an exchange-traded derivatives contract under which —

(i) one party agrees to transfer title to an underlying thing, or a specified quantity of an underlying thing, to another party at a specified future time and at a specified price payable at that future time; or

(ii) the parties will discharge their obligations under the contract by settling the difference between the value of a specified quantity of an underlying thing agreed at the time of the making of the contract and at a specified future time; or

(*b*) an exchange-traded derivatives contract which is an option on an exchange-traded derivatives contract mentioned in paragraph (*a*);";

(*w*) by deleting the definitions of "futures exchange", "futures market" and "futures option transaction";

(*x*) by deleting the definition of "listing rules" and substituting the following definition:

" "listing rules", in relation to a corporation that establishes or operates, or proposes to establish or operate, an organised market of an approved exchange or a recognised market operator, or an overseas exchange that establishes or operates or proposes to establish or operate an organised market of a recognised market operator, means rules governing or relating to —

(*a*) the admission to the official list of the corporation or overseas exchange, of corporations, governments, bodies unincorporate or other persons for the purpose of the quotation on the organised market of the corporation or overseas exchange of securities, securities-based derivatives contracts or units in a collective investment scheme issued, or made available by such corporations, governments, bodies unincorporate or other persons, or the removal from that official list and for other purposes; or

(*b*) the activities or conduct of corporations, governments, bodies unincorporate and other persons who are admitted to that list,

whether those rules are made —

(i) by the corporation or overseas exchange, or are contained in any of the constituent documents of the corporation or overseas exchange; or

(ii) by another person and adopted by the corporation or overseas exchange;";

(*y*) by deleting the definition of "market";

(*z*) by inserting, immediately after the definition of "newspaper", the following definition:

" "office copy" has the meaning given to it in section 4(1) of the Companies Act;";

(*za*) by deleting the definitions of "option contract", "overseas futures exchange" and "overseas securities exchange" and substituting the following definitions:

" "organised market" has the meaning given to it in the First Schedule;

"overseas exchange" means a person operating an organised market outside Singapore that is regulated by a financial services regulatory authority of a country or territory other than Singapore;";

(*zb*) by deleting the words ", a recognised market operator or an exempt market operator," wherever they appear in paragraph (*a*) of the definition of "participant" and substituting in each case the words "or a recognised market operator,";

(*zc*) by deleting the words "by order" in paragraph (*g*) of the definition of "prescribed written law";

(*zd*) by inserting, immediately after the definition of "principal", the following definition:

" "product financing" has the meaning given to it in the Second Schedule;";

(*ze*) by deleting the definition of "providing custodial services for securities" and substituting the following definitions:

" "providing custodial services" has the meaning given to it in the Second Schedule;

"providing information in relation to a designated benchmark" means providing any information or expression of opinion —

(*a*) to, or for the purpose of passing the information or expression of opinion on to, a person (*A*) administering a designated benchmark; and

(*b*) that enables *A* to determine that designated benchmark;

"providing information in relation to a financial benchmark" means providing any information or expression of opinion —

(*a*) to, or for the purpose of passing the information or expression of opinion on to, a person (*A*) administering a financial benchmark; and

(*b*) that enables *A* to determine that financial benchmark;";

(*zf*) by deleting the definition of "quote" and substituting the following definition:

" "quote" means to display or provide, on an organised market of an approved exchange or a recognised market operator, information concerning the particular prices or particular consideration at which offers or invitations to sell, purchase or exchange securities, securities-based derivatives contracts or units in a collective investment scheme are made on that organised market, being offers or invitations that are intended or may reasonably be expected, to result, directly or indirectly, in the making or acceptance of offers to sell, purchase or exchange securities, securities-based derivatives contracts or units in a collective investment scheme;";

(*zg*) by inserting, immediately after the definition of "quote", the following definition:

" "real estate investment trust", except for the purposes of Division 3 of Part VII, means a collective investment scheme —

(*a*) that is authorised under section 286 or recognised under section 287;

(*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 units of which are listed for quotation on an approved exchange;";

(*zh*) by deleting the words "section 282TA(1)" in the definition of "recognised business trust" and substituting the words "section 239D(1)";

(*zi*) by deleting the definition of "representative" and substituting the following definition:

" "representative" —

(*a*) in relation to a person (*A*) who carries on business in any regulated activity, except for the purposes of Part XIII and except as otherwise provided for in paragraphs (*b*) and (*c*) —

(i) means a person (*B*), by whatever name called, in the direct employment of, or acting for, or by arrangement with *A*, who carries out for *A* any regulated activity (other than work ordinarily performed by accountants, clerks or cashiers), whether or not *B* is

remunerated, and whether *B*'s remuneration, if any, is by way of salary, wages, commission or otherwise; and

(ii) includes, where *A* is a corporation, any officer of *A* who performs for *A* any regulated activity, whether or not the officer is remunerated, and whether the officer's remuneration, if any, is by way of salary, wages, commission or otherwise;

(*b*) in relation to a person (*C*) that is an authorised benchmark administrator or an exempt benchmark administrator —

(i) means a person (*D*), by whatever name called, in the direct employment of, or acting for, or by arrangement with *C*, who carries out the activity of administering a designated benchmark (other than work ordinarily performed by accountants, clerks or cashiers), whether or not *D* is remunerated, and whether *D*'s remuneration, if any, is by way of salary, wages, commission or otherwise; and

(ii) includes, where *C* is a corporation, any officer of *C* who performs for *C* the activity of administering a designated benchmark, whether or not the

officer is remunerated, and whether the officer's remuneration, if any, is by way of salary, wages, commission or otherwise; and

(*c*) in relation to a person (*E*) that is an authorised benchmark submitter, an exempt benchmark submitter or a designated benchmark submitter —

(i) means a person (*F*), by whatever name called, in the direct employment of, or acting for, or by arrangement with *E*, who carries out the activity of providing information in relation to a designated benchmark (other than work ordinarily performed by accountants, clerks or cashiers), whether or not *F* is remunerated, and whether *F*'s remuneration, if any, is by way of salary, wages, commission or otherwise; and

(ii) includes, where *E* is a corporation, any officer of *E* who performs for *E* the activity of providing information in relation to a designated benchmark, whether or not the officer is remunerated, and whether the officer's remuneration, if any, is by way of salary, wages, commission or otherwise;";

(*zj*) by deleting the definitions of "securities", "securities exchange" and "securities financing" and substituting the following definitions:

" "securities" means —

(*a*) shares, units in a business trust or any instrument conferring or representing a legal or beneficial ownership interest in a corporation, partnership or limited liability partnership;

(*b*) debentures; or

(*c*) any other product or class of products as may be prescribed,

but does not include —

(i) any unit of a collective investment scheme;

(ii) any bill of exchange;

(iii) any certificate of deposit issued by a bank or finance company, whether situated in Singapore or elsewhere; or

(iv) such other product or class of products as may be prescribed;

"securities-based derivatives contract" means any derivatives contract of which the underlying thing or any of the underlying things is a security or a securities index, but does not include any derivatives contract that is, or that belongs to a class of derivatives contracts that is, prescribed by regulations made under section 341;";

(*zk*) by deleting the definition of "securities market";

(*zl*) by inserting, immediately after the definition of "share", the following definitions:

" "specified products" means securities, specified securities-based derivatives contracts or units in a collective investment scheme;

"specified securities-based derivatives contract" means a securities-based derivatives contract that is not a futures contract;

"spot contract" means a contract or arrangement for the sale or purchase of any underlying thing at the spot price, where it is intended for a party to the contract or arrangement to take delivery of the underlying thing immediately or within a period which must not be longer than the period determined by the market convention for delivery of the underlying thing;

"spot foreign exchange contract" has the meaning given to it in the Second Schedule;";

(*zm*) by deleting the definition of "swap contract";

(*zn*) by deleting the words "a securities exchange" wherever they appear in the definition of "take-over offer" and substituting in each case the words "an approved exchange";

(*zo*) by deleting the definition of "trading in futures contracts";

(*zp*) by deleting the words "securities, futures contracts or derivatives contracts" wherever they appear in the definition of "transaction information" and substituting in each case the words "capital markets products";

(*zq*) by deleting the words "section 282TA(1)" in paragraph (*d*) of the definition of "trustee-manager" and substituting the words "section 239D(1)";

(*zr*) by deleting the definition of "underlying thing" and substituting the following definition:

" "underlying thing" means —

(*a*) in relation to a derivatives contract or a spot contract —

(i) a unit in a collective investment scheme;

(ii) a commodity;

(iii) a financial instrument;

(iv) the credit of any person; or

(v) an arrangement, event, index, intangible property, tangible property or transaction that is, or that belongs to a class of arrangements, events, indices, intangible properties, tangible properties or transactions that is, prescribed by regulations made under section 341 to be an underlying thing in relation to a derivatives contract or a spot contract,

but does not include any arrangement, event, index, intangible property, tangible property or transaction that is, or that belongs to a class of arrangements, events, indices, intangible properties, tangible properties or transactions that is, prescribed by regulations made under section 341 not to be an underlying thing in relation to a derivatives contract or a spot contract; and

(*b*) in relation to a financial benchmark —

(i) an investment product as defined in section 2(1) of the Financial Advisers Act (Cap. 110);

(ii) a commodity;

(iii) a financial instrument;

(iv) any intangible property or class of intangible properties; or

(v) any arrangement, event or transaction that is, or that belongs to a class of arrangements, events or transactions that is, prescribed by regulations made under section 341 to be an underlying thing in relation to a financial benchmark,

but does not include any arrangement, event, intangible property or transaction that is, or that belongs to a class of arrangements, events, intangible properties or transactions that is, prescribed by regulations made under section 341 not to be an underlying thing in relation to a financial benchmark;"; and

(*zs*) by deleting paragraph (*a*) of the definition of "user" and substituting the following paragraph:

"(*a*) in relation to an approved exchange, a recognised market operator, an approved clearing house or a recognised clearing house, a person who is —

(i) a member of the approved exchange, recognised market operator, approved clearing house or recognised clearing house (as the case may be); or

(ii) a customer of a member of the approved exchange, recognised market operator, approved clearing

house or recognised clearing house (as the case may be); or".

Amendment of section 3

4. Section 3(3) of the principal Act is amended by deleting the words "securities, trading in futures contracts or leveraged foreign exchange trading" in paragraph (*b*) and substituting the words "capital markets products".

Amendment of section 4

5. Section 4 of the principal Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsection:

"(1) Subject to this section, a person has an interest in securities, securities-based derivatives contracts or units in a collective investment scheme, if the person has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, those securities, securities-based derivatives contracts or units in a collective investment scheme (as the case may be).";

(*b*) by inserting, immediately after the word "securities" in subsection (2), the words ", securities-based derivatives contracts or units in a collective investment scheme (as the case may be)";

(*c*) by deleting subsections (3), (4) and (5) and substituting the following subsections:

"(3) Where any property held in trust consists of or includes securities, securities-based derivatives contracts or units in a collective investment scheme, and a person knows, or has reasonable grounds for believing, that the person has an interest under the trust, the person is treated as having an interest in those securities, securities-based derivatives contracts or units in a collective investment scheme (as the case may be).

(4) A person is treated as having an interest in a security, securities-based derivatives contract or unit in a collective investment scheme if a corporation has, or is by the provisions of this section (apart from this subsection) treated as having, an interest in that security, securities-based derivatives contract or unit in a collective investment scheme (as the case may be) and —

(*a*) the corporation is, or its directors are, accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the person; or

(*b*) the person has a controlling interest in the corporation.

(5) A person is treated as having an interest in a security, securities-based derivatives contract or unit in a collective investment scheme if —

(*a*) a corporation has, or is by the provisions of this section (apart from this subsection) treated as having, an interest in that security, securities-based derivatives contract or unit in a collective investment scheme (as the case may be); and

(*b*) the person, the associates of the person, or the person and the person's associates are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in the corporation.";

(*d*) by inserting, immediately after the word "security" in subsection (6)(*b*), the words ", securities-based derivatives contract or unit in a collective investment scheme (as the case may be)";

(*e*) by inserting, immediately after the word "security" in subsection (6)(*c*), the words ", securities-based derivatives

contract or unit in a collective investment scheme (as the case may be)";

(*f*) by deleting subsections (7) to (10) and substituting the following subsections:

"(7) A person is treated as having an interest in a security, securities-based derivatives contract or unit in a collective investment scheme in any one or more of the following circumstances:

(*a*) where the person has entered into a contract to purchase the security, securities-based derivatives contract or unit in a collective investment scheme (as the case may be);

(*b*) where the person has a right, otherwise than by reason of having an interest under a trust, to have the security, securities-based derivatives contract or unit in a collective investment scheme (as the case may be), transferred to the person or to the person's order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;

(*c*) where the person has the right to acquire any of the following under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not:

(i) the security, securities-based derivatives contract or unit in a collective investment scheme (as the case may be);

(ii) an interest in the security, securities-based derivatives contract or unit in a collective investment scheme (as the case may be);

(*d*) where the person is entitled, otherwise than by reason of the person having been appointed a proxy or representative to vote at a meeting of members of a corporation or of a class of its members, to exercise or control the exercise of a right attached to any of the following (as the case may be):

(i) the security, not being a security of which the person is a registered holder;

(ii) the securities-based derivatives contract, not being a contract to which the person is a party;

(iii) the unit in a collective investment scheme, not being a unit of which the person is a registered holder.

(8) A person is treated as having an interest in a security, securities-based derivatives contract or unit in a collective investment scheme if that security, securities-based derivatives contract or unit in a collective investment scheme (as the case may be) is held jointly by the person with another person.

(9) For the purpose of determining whether a person has an interest in a security, securities-based derivatives contract or unit in a collective investment scheme, it is immaterial that the interest cannot be related to a particular security, securities-based derivatives contract or unit in a collective investment scheme (as the case may be).

(10) The following interests are to be disregarded:

(*a*) an interest in a security, securities-based derivatives contract or unit in a collective investment scheme if the interest is that of a person who holds the security,

securities-based derivatives contract or unit in a collective investment scheme (as the case may be) as bare trustee;

(*b*) an interest in a security, securities-based derivatives contract or unit in a collective investment scheme if —

(i) the interest is that of a person whose ordinary business includes the lending of money; and

(ii) the person holds the interest only by way of security for the purposes of a transaction entered into in the ordinary course of business in connection with the lending of money;

(*c*) an interest of a person in a security, securities-based derivatives contract or unit in a collective investment scheme if that interest is an interest held by the person by reason of the person holding a prescribed office;

(*d*) an interest of a company in its own securities if that interest is purchased or otherwise acquired in accordance with sections 76B to 76G of the Companies Act (Cap. 50);

(*e*) a prescribed interest in a security, securities-based derivatives contract or unit in a collective investment scheme being an interest of such person, or of the persons included in such class of persons, as may be prescribed;

(*f*) for the purposes of Part VII, an interest in a securities-based derivatives contract the obligations under which are to be

discharged by one party to the other at some future time by cash settlement only.";

(*g*) by inserting, immediately after the word "security" in subsection (11), the words ", securities-based derivatives contract or unit in a collective investment scheme"; and

(*h*) by inserting, immediately after the word "securities" in the section heading, the words ", securities-based derivatives contracts or units in a collective investment scheme".

Amendment of section 4A

6. Section 4A of the principal Act is amended —

(*a*) by deleting sub-paragraph (i) of subsection (1)(*a*) and substituting the following sub-paragraph:

"(i) an individual —

(A) whose net personal assets exceed in value $2 million (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe in place of the first amount;

(B) whose financial assets (net of any related liabilities) exceed in value $1 million (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe in place of the first amount, where "financial asset" means —

(BA) a deposit as defined in section 4B of the Banking Act;

(BB) an investment product as defined in

section 2(1) of the Financial Advisers Act; or

(BC) any other asset as may be prescribed by regulations made under section 341; or

(C) whose income in the preceding 12 months is not less than $300,000 (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe in place of the first amount;";

(*b*) by deleting paragraph (*c*) of subsection (1) and substituting the following paragraph:

"(*c*) "institutional investor" means —

(i) the Government;

(ii) a statutory board as may be prescribed by regulations made under section 341;

(iii) an entity that is wholly and beneficially owned, whether directly or indirectly, by a central government of a country and whose principal activity is —

(A) to manage its own funds;

(B) to manage the funds of the central government of that country (which may include the reserves of that central government and any pension or provident fund of that country); or

(C) to manage the funds (which may include the reserves of that central government and any pension or provident fund of that country) of another entity that is wholly and beneficially owned, whether directly or indirectly, by the central government of that country;

(iv) any entity —

(A) that is wholly and beneficially owned, whether directly or indirectly, by the central government of a country; and

(B) whose funds are managed by an entity mentioned in sub-paragraph (iii);

(v) a central bank in a jurisdiction other than Singapore;

(vi) a central government in a country other than Singapore;

(vii) an agency (of a central government in a country other than Singapore) that is incorporated or established in a country other than Singapore;

(viii) a multilateral agency, international organisation or supranational agency as may be prescribed by regulations made under section 341;

(ix) a bank that is licensed under the Banking Act (Cap. 19);

(x) a merchant bank that is approved as a financial institution under section 28

of the Monetary Authority of Singapore Act (Cap. 186);

(xi) a finance company that is licensed under the Finance Companies Act (Cap. 108);

(xii) a company or co-operative society that is licensed under the Insurance Act (Cap. 142) to carry on insurance business in Singapore;

(xiii) a company licensed under the Trust Companies Act (Cap. 336);

(xiv) a holder of a capital markets services licence;

(xv) an approved exchange;

(xvi) a recognised market operator;

(xvii) an approved clearing house;

(xviii) a recognised clearing house;

(xix) a licensed trade repository;

(xx) a licensed foreign trade repository;

(xxi) an approved holding company;

(xxii) a Depository as defined in section 81SF;

(xxiii) an entity or a trust formed or incorporated in a jurisdiction other than Singapore, which is regulated for the carrying on of any financial activity in that jurisdiction by a public authority of that jurisdiction that exercises a function that corresponds to a regulatory function of the Authority under this Act, the Banking Act (Cap. 19), the Finance Companies Act (Cap. 108), the

Monetary Authority of Singapore Act (Cap. 186), the Insurance Act (Cap. 142), the Trust Companies Act (Cap. 336) or such other Act as may be prescribed by regulations made under section 341;

(xxiv) a pension fund, or collective investment scheme, whether constituted in Singapore or elsewhere;

(xxv) a person (other than an individual) who carries on the business of dealing in bonds with accredited investors or expert investors;

(xxvi) the trustee of such trust as the Authority may prescribe, when acting in that capacity; or

(xxvii) such other person as the Authority may prescribe."; and

(*c*) by inserting, immediately after subsection (1), the following subsection:

"(1A) In determining the value of an individual's net personal assets for the purposes of subsection (1)(*a*)(i)(A), the value of the individual's primary residence —

(*a*) is to be calculated by deducting any outstanding amounts in respect of any credit facility that is secured by the residence from the estimated fair market value of the residence; and

(*b*) is taken to be the lower of the following:

(i) the value calculated under paragraph (*a*);

(ii) $1 million.".

Repeal and re-enactment of section 4B

7. Section 4B of the principal Act is repealed and the following section substituted therefor:

"**Application**

4B. This Act does not apply to a person in respect of whom a transitional approval or transitional licence mentioned in section 66 of the Commodity Trading Act (Cap. 48A) is in force, to the extent that the activities carried out by the person are regulated under, and authorised by, that section.".

Repeal and re-enactment of Part II

8. Part II of the principal Act is repealed and the following Part substituted therefor:

"PART II

ORGANISED MARKETS

Objectives of this Part

5. The objectives of this Part are —

(*a*) to promote fair, orderly and transparent markets;

(*b*) to facilitate efficient markets for the allocation of capital and the transfer of risks; and

(*c*) to reduce systemic risk.

Interpretation of this Part

6. In this Part, unless the context otherwise requires —

"foreign corporation" means a corporation that is formed or incorporated outside Singapore;

"Singapore corporation" means a corporation that is formed or incorporated in Singapore.

Division 1 — Establishment of Organised Markets

Requirement for approval or recognition

7.—(1) A person must not establish or operate an organised market, or hold itself out as operating an organised market, unless the person is —

(*a*) an approved exchange; or

(*b*) a recognised market operator.

(2) A person must not hold itself out —

(*a*) as an approved exchange, unless the person is an approved exchange; or

(*b*) as a recognised market operator, unless the person is a recognised market operator.

(3) Except with the written approval of the Authority, a person, other than an approved exchange or a recognised market operator, must not take or use, or have attached to or exhibited at any place —

(*a*) the title or description "securities exchange", "stock exchange", "futures exchange" or "derivatives exchange" in any language; or

(*b*) any title or description that resembles a title or description referred to in paragraph (*a*).

(4) Any person who contravenes subsection (1) or (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $250,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding $25,000 for every day or part of a day during which the offence continues after conviction.

(5) Any person who contravenes subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $20,000 and, in the case of a continuing offence, to a further fine not exceeding $2,000 for every day or part of a day during which the offence continues after conviction.

(6) Despite section 337(1), the Authority may, by regulations made under section 44, exempt any corporation or class of corporations from subsection (1), subject to such conditions or restrictions as the Authority may prescribe in those regulations.

(7) The Authority may, by notice in writing, exempt any corporation from subsection (1), subject to such conditions or restrictions as the Authority may specify by notice in writing, if the Authority is satisfied that the exemption will not detract from the objectives specified in section 5.

(8) It is not necessary to publish any exemption granted under subsection (7) in the *Gazette*.

(9) The Authority may, at any time, by notice in writing —

(*a*) add to the conditions or restrictions mentioned in subsection (7); or

(*b*) vary or revoke any condition or restriction mentioned in that subsection.

(10) Every corporation that is exempted under subsection (6) must satisfy every condition or restriction imposed on it under that subsection.

(11) Every corporation that is exempted under subsection (7) must, for the duration of the exemption, satisfy every condition or restriction imposed on it under that subsection and subsection (9).

(12) Any corporation which contravenes subsection (10) or (11) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

Application for approval or recognition

8.—(1) A Singapore corporation may apply to the Authority to be —

(*a*) approved as an approved exchange; or

(*b*) recognised as a recognised market operator.

(2) A foreign corporation may apply to the Authority to be recognised as a recognised market operator.

(3) An application made under subsection (1) or (2) must be —

(*a*) made in such form and manner as the Authority may specify; and

(*b*) accompanied by a non-refundable application fee of an amount prescribed by regulations made under section 44, which must be paid in the manner specified by the Authority.

(4) The Authority may require an applicant to furnish the Authority with such information or documents as the Authority considers necessary in relation to the application.

Power of Authority to approve exchanges and recognise market operators

9.—(1) Where a Singapore corporation makes an application under section 8(1), the Authority may —

(*a*) in the case of an application to be approved as an approved exchange, approve the Singapore corporation as an approved exchange; or

(*b*) in the case of an application to be recognised as a recognised market operator, recognise the Singapore corporation as a recognised market operator.

(2) Where a foreign corporation makes an application under section 8(2), the Authority may recognise the foreign corporation as a recognised market operator.

(3) Despite subsection (1), the Authority may, with the consent of the applicant —

(*a*) treat an application under section 8(1)(*a*) as an application under section 8(1)(*b*) if the Authority is of the opinion that the applicant would be more appropriately regulated as a recognised market operator; or

(*b*) treat an application under section 8(1)(*b*) as an application under section 8(1)(*a*) if the Authority is of the opinion that the applicant would be more appropriately regulated as an approved exchange.

(4) The Authority may approve a Singapore corporation as an approved exchange under subsection (1)(*a*), recognise a Singapore corporation as a recognised market operator under subsection (1)(*b*), or recognise a foreign corporation as a recognised market operator under subsection (2), subject to such conditions or restrictions of a general or specific nature as the Authority may impose by notice in writing, including conditions or restrictions relating to —

(*a*) the activities that the corporation may undertake;

(*b*) the products that may be traded on any organised market established or operated by the corporation;

(*c*) the nature of the investors or participants who may use, invest in, or participate in any product traded on any organised market established or operated by the corporation; and

(*d*) the financial requirements to be imposed on the corporation.

(5) The Authority may, at any time, by notice in writing to the corporation, vary any condition or restriction or impose further conditions or restrictions.

(6) An approved exchange or a recognised market operator must, for the duration of the approval or recognition, satisfy every condition or restriction that may be imposed on it under subsections (4) and (5).

(7) The Authority must not approve an applicant as an approved exchange, or recognise an applicant as a recognised market operator, unless the applicant meets such requirements, including minimum financial requirements, as the Authority may prescribe by regulations made under section 44, either generally or specifically.

(8) The Authority may refuse to approve a Singapore corporation as an approved exchange, or recognise a Singapore corporation or foreign corporation, as the case may be, as a recognised market operator, if —

(*a*) the corporation has not provided the Authority with such information as the Authority may require, relating to —

(i) the corporation or any person employed by or associated with the corporation for the purposes of the corporation's business; or

(ii) any circumstances likely to affect the corporation's manner of conducting business or operations;

(*b*) any information or document provided by the corporation to the Authority is false or misleading;

(*c*) the corporation or a substantial shareholder of the corporation is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

(*d*) execution against the corporation or a substantial shareholder of the corporation in respect of a judgment debt has been returned unsatisfied in whole or in part;

(*e*) a receiver, a receiver and manager, a judicial manager or a person in an equivalent capacity has been appointed, whether in Singapore or elsewhere, in relation to, or in respect of, any property of the corporation or a substantial shareholder of the corporation;

(*f*) the corporation or a substantial shareholder of the corporation has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with the creditors of the corporation or shareholder, as the case may be, being a compromise or scheme of arrangement that is still in operation;

(*g*) the corporation, a substantial shareholder of the corporation or any officer of the corporation —

(i) has been convicted, whether in Singapore or elsewhere, of an offence committed before, on or after the date of commencement of section 8 of the Securities and Futures (Amendment) Act 2017, involving fraud or dishonesty or the conviction for which involved a finding that the corporation, shareholder or officer, as the case may be, had acted fraudulently or dishonestly; or

(ii) has been convicted of an offence under this Act committed before, on or after the date of commencement of section 8 of the Securities and Futures (Amendment) Act 2017;

(*h*) the Authority is not satisfied as to the educational or other qualifications or experience of the officers or employees of the corporation, having regard to the nature of the duties they are to perform in connection with the establishment or operation of any organised market;

(*i*) the corporation fails to satisfy the Authority that the corporation is a fit and proper person or that all of its officers, employees and substantial shareholders are fit and proper persons;

(*j*) the Authority has reason to believe that the corporation may not be able to act in the best interests of investors or its members, participants or customers, having regard to the reputation, character, financial integrity and reliability of the corporation or its officers, employees or substantial shareholders;

(*k*) the Authority is not satisfied as to —

(i) the financial standing of the corporation or any of its substantial shareholders; or

(ii) the manner in which the business of the corporation is to be conducted;

(*l*) the Authority is not satisfied as to the record of past performance or expertise of the corporation, having regard to the nature of the business or operations which the corporation may carry on or conduct in connection with the establishment or operation of any organised market;

(*m*) there are other circumstances that are likely to —

(i) lead to the improper conduct of business or operations by the corporation or any of its officers, employees or substantial shareholders; or

(ii) reflect discredit on the manner of conducting the business or operations of the corporation or any of its substantial shareholders;

(*n*) in the case of any organised market that the corporation operates, the Authority has reason to believe that the corporation, or any of its officers or employees, will not operate a fair, orderly and transparent organised market;

(*o*) the corporation does not satisfy the criteria prescribed under section 10 to be approved as an approved exchange or recognised as a recognised market operator, as the case may be; or

(*p*) the Authority is of the opinion that it would be contrary to the interests of the public to approve or recognise the corporation.

(9) Subject to subsection (10), the Authority must not refuse to approve a Singapore corporation as an approved exchange, or recognise a Singapore corporation or foreign corporation, as the case may be, as a recognised market operator, under subsection (8), without giving the corporation an opportunity to be heard.

(10) The Authority may refuse to approve a Singapore corporation as an approved exchange, or recognise a Singapore corporation or foreign corporation, as the case may be, as a recognised market operator, on any of the following grounds without giving the corporation an opportunity to be heard:

(*a*) the corporation is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

(*b*) a receiver, a receiver and manager or a person in an equivalent capacity has been appointed, whether in Singapore or elsewhere, in relation to, or in respect of, any property of the corporation;

(*c*) the corporation has been convicted, whether in Singapore or elsewhere, of an offence committed before, on or after the date of commencement of section 8 of the Securities and Futures (Amendment) Act 2017, involving fraud or dishonesty or the conviction for which involved a finding that it had acted fraudulently or dishonestly.

(11) The Authority must give notice in the *Gazette* of any corporation approved as an approved exchange under subsection (1)(*a*) or recognised as a recognised market operator under subsection (1)(*b*) or (2), and such notice may include all or any of the conditions and restrictions imposed by the Authority on the corporation under subsections (4) and (5).

(12) Any applicant who is aggrieved by a refusal of the Authority to approve the applicant under subsection (1)(*a*) or a refusal of the Authority to recognise the applicant under subsection (1)(*b*) or (2) may, within 30 days after the applicant is notified of the refusal, appeal to the Minister whose decision is final.

(13) Any approved exchange or recognised market operator which contravenes subsection (6) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further

fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

General criteria to be taken into account by Authority

10.—(1) The Authority may by regulations made under section 44 prescribe the criteria that the Authority may take into account for the purposes of deciding —

(*a*) whether a Singapore corporation mentioned in section 8(1) or 12(1) should be approved as an approved exchange or recognised as a recognised market operator;

(*b*) whether a foreign corporation mentioned in section 8(2) should be recognised as a recognised market operator; and

(*c*) whether an approved exchange or a recognised market operator that is subject to a review by the Authority under section 12(4) should be approved as an approved exchange or recognised as a recognised market operator.

(2) Without prejudice to section 9 and subsection (1), the Authority may, for the purposes of deciding whether to recognise a foreign corporation as a recognised market operator under section 9(2), have regard, in addition to any requirements prescribed under section 9(7) and any criteria prescribed under subsection (1), to —

(*a*) whether adequate arrangements exist for cooperation between the Authority and the primary financial services regulatory authority responsible for the supervision of the foreign corporation in the country or territory in which the head office or principal place of business of the foreign corporation is situated; and

(*b*) whether the foreign corporation is, in the country or territory in which the head office or principal place of business of the foreign corporation is situated, subject to requirements and supervision comparable, in the

degree to which the objectives specified in section 5 are achieved, to the requirements and supervision to which approved exchanges and recognised market operators are subject under this Act.

(3) In considering whether a foreign corporation has met the requirements mentioned in subsection (2)(*b*), the Authority may have regard to —

(*a*) the relevant laws and practices of the country or territory in which the head office or principal place of business of the foreign corporation is situated; and

(*b*) the rules and practices of the foreign corporation.

Annual fees payable by approved exchange and recognised market operator

11.—(1) Every approved exchange and every recognised market operator must pay to the Authority such annual fees as may be prescribed by regulations made under section 44 in such manner as may be specified by the Authority.

(2) The Authority may, where it considers appropriate, refund or remit the whole or any part of any annual fee paid or payable to it.

Change in status

12.—(1) A Singapore corporation that is an approved exchange or a recognised market operator may apply to the Authority to change its status in the manner mentioned in subsection (5).

(2) An application under subsection (1) must be —

(*a*) made in such form and manner as the Authority may specify; and

(*b*) accompanied by a non-refundable application fee of an amount prescribed by regulations made under section 44, which must be paid in the manner specified by the Authority.

(3) The Authority may require an applicant to furnish the Authority with such information or documents as the Authority considers necessary in relation to the application.

(4) The Authority may, from time to time, on its own initiative, review the status of a Singapore corporation that is an approved exchange or a recognised market operator to determine whether the Singapore corporation continues to meet the requirements prescribed under section 9(7) and the criteria prescribed under section 10(1).

(5) Where an application is made by a Singapore corporation under subsection (1), or where a review of the status of a Singapore corporation is conducted by the Authority under subsection (4), the Authority may —

(*a*) if the Singapore corporation is an approved exchange, withdraw the approval as such and recognise the Singapore corporation as a recognised market operator under section 9(1)(*b*);

(*b*) if the Singapore corporation is a recognised market operator, withdraw the recognition as such and approve the Singapore corporation as an approved exchange under section 9(1)(*a*); or

(*c*) make no change to the status of the Singapore corporation as an approved exchange or a recognised market operator, as the case may be.

(6) Where an application is made under subsection (1), the Authority must not exercise its power under subsection (5)(*c*) without giving the Singapore corporation an opportunity to be heard.

(7) Where a review of the status of a Singapore corporation is conducted by the Authority on its own initiative under subsection (4), the Authority must not exercise its powers under subsection (5)(*a*) or (*b*) without giving the Singapore corporation an opportunity to be heard.

(8) Any Singapore corporation that is aggrieved by a decision of the Authority made in relation to the Singapore corporation

after a review under subsection (4) may, within 30 days after the Singapore corporation is notified of the decision, appeal to the Minister whose decision is final.

Cancellation of approval or recognition

13.—(1) An approved exchange or a recognised market operator that intends to cease operating its organised market or, where it operates more than one organised market, all of its organised markets, may apply to the Authority to cancel its approval as an approved exchange or recognition as a recognised market operator, as the case may be.

(2) An application under subsection (1) must be made in such form and manner, and not later than such time, as the Authority may specify.

(3) The Authority may cancel the approval of an approved exchange, or the recognition of a recognised market operator, on the application mentioned in subsection (1) if the Authority is satisfied that —

(*a*) the approved exchange or recognised market operator mentioned in subsection (1) has ceased operating its organised market or all of its organised markets, as the case may be; and

(*b*) the cancellation of the approval or recognition, as the case may be, will not detract from the objectives specified in section 5.

Power of Authority to revoke approval and recognition

14.—(1) The Authority may revoke any approval of a Singapore corporation as an approved exchange under section 9(1)(*a*), any recognition of a Singapore corporation as a recognised market operator under section 9(1)(*b*), or any recognition of a foreign corporation as a recognised market operator under section 9(2), if —

(*a*) there exists at any time a ground under section 9(7) or (8) on which the Authority may refuse an application;

(*b*) the corporation does not commence operating its organised market or, where it operates more than one organised market, all of its organised markets, within 12 months starting on the date on which it was approved under section 9(1)(*a*) or was recognised under section 9(1)(*b*) or (2), as the case may be;

(*c*) the corporation ceases to operate its organised market or, where it operates more than one organised market, all of its organised markets;

(*d*) the corporation contravenes —

(i) any condition or restriction applicable in respect of its approval or recognition, as the case may be;

(ii) any direction issued to it by the Authority under this Act; or

(iii) any provision of this Act;

(*e*) upon the Authority exercising any power under section 46AAB(2) or the Minister exercising any power under Division 2, 3 or 4 of Part IVB of the Monetary Authority of Singapore Act (Cap. 186) in relation to the corporation, the Authority considers that it is in the public interest to revoke the approval or recognition, as the case may be;

(*f*) the corporation operates in a manner that is, in the opinion of the Authority, contrary to the interests of the public; or

(*g*) any information or document provided by the corporation to the Authority is false or misleading.

(2) Subject to subsection (3), the Authority must not revoke under subsection (1) any approval under section 9(1)(*a*), or recognition under section 9(1)(*b*) or (2), that was granted to a corporation without giving the corporation an opportunity to be heard.

(3) The Authority may revoke an approval under section 9(1)(*a*), or a recognition under section 9(1)(*b*) or (2), that was granted to a corporation on any of the following grounds without giving the corporation an opportunity to be heard:

(*a*) the corporation is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

(*b*) a receiver, a receiver and manager or a person in an equivalent capacity has been appointed, whether in Singapore or elsewhere, in relation to, or in respect of, any property of the corporation;

(*c*) the corporation has been convicted, whether in Singapore or elsewhere, of an offence committed before, on or after the date of commencement of section 8 of the Securities and Futures (Amendment) Act 2017, involving fraud or dishonesty or the conviction for which involved a finding that it had acted fraudulently or dishonestly.

(4) For the purposes of subsection (1)(*c*), a corporation is to be treated to have ceased to operate its organised market if —

(*a*) it has ceased to operate the organised market for more than 30 days, unless it has obtained the prior approval of the Authority to do so; or

(*b*) it has ceased to operate the organised market under a direction issued by the Authority under section 45.

(5) Any corporation that is aggrieved by a decision of the Authority made in relation to the corporation under subsection (1) may, within 30 days after the corporation is notified of the decision, appeal to the Minister whose decision is final.

(6) Despite the lodging of an appeal under subsection (5), any action taken by the Authority under this section continues to have effect pending the decision of the Minister.

(7) The Minister may, when deciding an appeal under subsection (5), make such modification as the Minister considers necessary to any action taken by the Authority under this section, and such modified action has effect starting on the date of the decision of the Minister.

(8) Any revocation under subsection (1) or (3) of the approval or recognition of a corporation under section 9(1) or (2) does not operate so as to —

(*a*) avoid or affect any agreement, transaction or arrangement entered into in connection with the use of an organised market operated by the corporation, whether the agreement, transaction or arrangement was entered into before, on or after the revocation of the approval or recognition; or

(*b*) affect any right, obligation or liability arising under any such agreement, transaction or arrangement.

(9) The Authority must give notice in the *Gazette* of any revocation under subsection (1) or (3) of any approval or recognition of a corporation under section 9(1) or (2).

Division 2 — Regulation of Approved Exchanges

Subdivision (1) — Obligations of approved exchanges

General obligations

15.—(1) An approved exchange must —

(*a*) as far as is reasonably practicable, ensure that every organised market it operates is a fair, orderly and transparent organised market;

(*b*) manage any risks associated with its business and operations prudently;

(*c*) in discharging its obligations under this Act, not act contrary to the interests of the public, having particular regard to the interests of the investing public;

(*d*) ensure that access for participation in its facilities is subject to criteria that —

(i) are fair and objective; and

(ii) are designed to ensure the orderly functioning of the organised market that it operates and to protect the interests of the investing public;

(*e*) maintain business rules and, where appropriate, listing rules that make satisfactory provision for —

(i) the organised market to be operated in a fair, orderly and transparent manner; and

(ii) the proper regulation and supervision of its members;

(*f*) enforce compliance with its business rules and, where appropriate, its listing rules;

(*g*) have sufficient financial, human and system resources —

(i) to operate a fair, orderly and transparent organised market;

(ii) to meet contingencies or disasters; and

(iii) to provide adequate security arrangements;

(*h*) maintain governance arrangements that are adequate for its organised market to be operated in a fair, orderly and transparent manner; and

(*i*) ensure that it appoints or employs fit and proper persons as its chairman, chief executive officer, directors and key management officers.

(2) In subsection (1)(*g*), "contingencies or disasters" includes technical disruptions occurring within automated systems.

Obligation to notify Authority of certain matters

16.—(1) An approved exchange must, as soon as practicable after the occurrence of any of the following circumstances, notify the Authority of the circumstance:

(*a*) any material change to the information provided by the approved exchange in its application under section 8(1) or 12(1);

(*b*) any change to the type or number of organised markets it operates;

(*c*) the carrying on of any business (called in this section a proscribed business) by the approved exchange other than such business or such class of businesses prescribed by regulations made under section 44;

(*d*) the acquisition by the approved exchange of a substantial shareholding in a corporation (called in this section a proscribed corporation) that carries on any business other than such business or such class of businesses prescribed by regulations made under section 44;

(*e*) the approved exchange becoming aware of any financial irregularity or other matter which in its opinion —

(i) may affect its ability to discharge its financial obligations; or

(ii) may affect the ability of a member of the approved exchange to meet its financial obligations to the approved exchange;

(*f*) the approved exchange reprimanding, fining, suspending, expelling or otherwise taking disciplinary action against a member of the approved exchange;

(*g*) any other matter that the Authority may —

(i) prescribe by regulations made under section 44 for the purposes of this subsection; or

(ii) specify by notice in writing to the approved exchange in any particular case.

(2) Without prejudice to the generality of section 45(1), the Authority may, at any time after receiving a notice mentioned in subsection (1), issue directions to the approved exchange —

(*a*) where the notice relates to a matter mentioned in subsection (1)(*c*) —

(i) requiring it to cease carrying on the proscribed business; or

(ii) permitting it to carry on the proscribed business subject to such conditions or restrictions as the Authority may impose, if the Authority is of the opinion that the carrying on of the proscribed business subject to those conditions or restrictions is necessary for any purpose mentioned in section 45(1)(*a*) to (*d*); or

(*b*) where the notice relates to a matter mentioned in subsection (1)(*d*) —

(i) requiring it to dispose of all or any part of its shareholding in the proscribed corporation within such time and subject to such conditions as specified in the directions; or

(ii) requiring it to exercise its rights relating to such shareholding, or to not exercise such rights, subject to such conditions or restrictions as the Authority may impose, if the Authority is of the opinion that such exercise or non-exercise of rights subject to those conditions or restrictions is necessary for any purpose mentioned in section 45(1)(*a*) to (*d*).

(3) An approved exchange must comply with every direction issued to it under subsection (2) despite anything to the contrary in the Companies Act (Cap. 50) or any other law.

(4) An approved exchange must notify the Authority of any matter that the Authority may prescribe by regulations made under section 44 for the purposes of this subsection, no later than such time as the Authority may prescribe by those regulations.

(5) An approved exchange must notify the Authority of any matter that the Authority may specify by notice in writing to the approved exchange, no later than such time as the Authority may specify in that notice.

Obligation to manage risks prudently

17.—(1) Without prejudice to the generality of section 15(1)(*b*), an approved exchange must ensure that the systems and controls concerning the assessment and management of risks to every organised market that the approved exchange operates are adequate and appropriate for the scale and nature of its operations.

(2) Any approved exchange which contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $200,000 and, in the case of a continuing offence, to a further fine not exceeding $20,000 for every day or part of a day during which the offence continues after conviction.

Obligation to maintain proper records

18.—(1) An approved exchange must maintain a record of all transactions effected through its organised market in accordance with regulations mentioned in subsection (2).

(2) The Authority may prescribe by regulations made under section 44 —

(*a*) the form and manner in which the record mentioned in subsection (1) is to be maintained;

(*b*) the extent to which the record includes details of each transaction; and

(*c*) the period of time that the record is to be maintained.

Obligation to submit periodic reports

19. An approved exchange must submit to the Authority such reports in such form and manner, and at such frequency, as the Authority may prescribe by regulations made under section 44.

Obligation to assist Authority

20. An approved exchange must provide such assistance to the Authority as the Authority may require for the performance of the Authority's functions and duties, including —

(*a*) the furnishing of such returns as the Authority may require for the proper administration of this Act; and

(*b*) the provision of —

(i) such books and information as the Authority may require for the proper administration of this Act, being books and information —

(A) relating to the business of the approved exchange;

(B) in respect of any transaction or class of transactions, whether completed or uncompleted, effected through the organised market of the approved exchange; or

(C) in respect of any product or class of products traded on the organised market of the approved exchange; and

(ii) such other information as the Authority may require for the proper administration of this Act.

Obligation to maintain confidentiality

21.—(1) Subject to subsection (2), an approved exchange and its officers and employees must maintain, and aid in maintaining, the confidentiality of all user information that —

(*a*) comes to the knowledge of the approved exchange or any of its officers or employees; or

(*b*) is in the possession of the approved exchange or any of its officers or employees.

(2) Subsection (1) does not apply to —

(*a*) the disclosure of user information for such purposes, or in such circumstances, as the Authority may prescribe by regulations made under section 44;

(*b*) any disclosure of user information which is authorised by the Authority to be disclosed or furnished; or

(*c*) the disclosure of user information pursuant to any requirement imposed under any written law or order of court in Singapore.

(3) To avoid doubt, nothing in this section is to be construed as preventing an approved exchange from entering into a written agreement with a user that obliges the approved exchange to maintain a higher degree of confidentiality than that specified in this section.

Penalties under this Subdivision

22. Any approved exchange which contravenes section 15(1), 16(1) or (3), 18(1), 19, 20 or 21(1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $200,000 and, in the case of a continuing offence, to a further fine not exceeding $20,000 for every day or part of a day during which the offence continues after conviction.

Subdivision (2) — Rules of approved exchanges

Business rules and listing rules of approved exchanges

23.—(1) Without limiting the generality of sections 15 and 44 —

(*a*) the Authority may by regulations made under section 44 prescribe the matters that an approved exchange must make provision for in the business rules or listing rules of the approved exchange; and

(*b*) the approved exchange must make provision for those matters in its business rules or listing rules, as the case may be.

(2) An approved exchange must not make any amendment to its business rules or listing rules unless it complies with such requirements as the Authority may prescribe by regulations made under section 44.

(3) In this Subdivision, any reference to an amendment to a business rule or listing rule is to be construed as a reference to a change to the scope of, or to any requirement, obligation or restriction under, the business rule or listing rule, as the case may be, whether the change is made by an alteration to the text of the rule or by any other notice issued by or on behalf of the approved exchange.

(4) Any approved exchange which contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

Business rules of approved exchanges have effect as contract

24.—(1) The business rules of an approved exchange are to be treated, and are to operate, as a binding contract —

(*a*) between the approved exchange and each member; and

(*b*) between each member and every other member.

(2) The approved exchange and each member are treated to have agreed to observe and perform the provisions of the business rules that are in force for the time being, so far as those provisions are applicable to the approved exchange or that member, as the case may be.

Power of court to order observance or enforcement of business rules or listing rules

25.—(1) Where any person (*A*) which is under an obligation to comply with, observe, enforce or give effect to the business rules or listing rules of an approved exchange fails to do so, the High

Court may, on the application of the Authority, an approved exchange or a person aggrieved by the failure (*B*), and after giving *A* an opportunity to be heard, make an order directing *A* to comply with, observe, enforce or give effect to those business rules or listing rules.

(2) This section is in addition to, and not in derogation of, any other remedy available to *B*.

(3) Any person which, without reasonable excuse, contravenes an order made under subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 or to imprisonment for a term not exceeding 2 years or to both.

(4) Subject to subsection (5), subsection (3) does not affect the powers of the court in relation to the punishment of contempt of the court.

(5) Where a person is convicted of an offence under subsection (3) in respect of any contravention of an order made under subsection (1), such contravention is not punishable as a contempt of court.

(6) A person must not be convicted of an offence under subsection (3) in respect of any contravention of an order made under subsection (1) that has been punished as a contempt of court.

Non-compliance with business rules or listing rules not to substantially affect rights of person

26. Any failure by an approved exchange to comply with —

(*a*) this Act;

(*b*) its business rules; or

(*c*) where applicable, its listing rules,

in relation to a matter does not prevent that matter from being treated, for the purposes of this Act, as done in accordance with the business rules or listing rules so long as the failure does not substantially affect the rights of any person entitled to require compliance with the business rules or listing rules.

Subdivision (3) — Matters requiring approval of Authority

Control of substantial shareholding in approved exchange

27.—(1) A person must not enter into any agreement to acquire shares in an approved exchange by virtue of which the person would, if the agreement had been carried out, become a substantial shareholder of the approved exchange without first obtaining the approval of the Authority to enter into the agreement.

(2) A person must not become —

(*a*) a 12% controller; or

(*b*) a 20% controller,

of an approved exchange without first obtaining the approval of the Authority.

(3) In subsection (2) —

"12% controller" means a person, not being a 20% controller, who alone or together with the person's associates —

(*a*) holds not less than 12% of the shares in the approved exchange; or

(*b*) is in a position to control not less than 12% of the votes in the approved exchange;

"20% controller" means a person who, alone or together with the person's associates —

(*a*) holds not less than 20% of the shares in the approved exchange; or

(*b*) is in a position to control not less than 20% of the votes in the approved exchange.

(4) In this section —

(*a*) a person holds a share if —

(i) the person is deemed to have an interest in that share under section 7(6) to (10) of the Companies Act (Cap. 50); or

(ii) the person otherwise has a legal or an equitable interest in that share, except such interest as is to be disregarded under section 7(6) to (10) of the Companies Act;

(*b*) a reference to the control of a percentage of the votes in an approved exchange is to be construed as a reference to the control, whether direct or indirect, of that percentage of the total number of votes that might be cast in a general meeting of the approved exchange; and

(*c*) a person (*A*) is an associate of another person (*B*) if —

(i) *A* is the spouse, a parent, remoter lineal ancestor or step-parent, a son, daughter, remoter issue, stepson or stepdaughter or a brother or sister of *B*;

(ii) *A* is a body corporate that is, or a majority of the directors of which are, accustomed or under an obligation whether formal or informal to act in accordance with the directions, instructions or wishes of *B*;

(iii) *A* is a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of *B*;

(iv) *A* is a subsidiary of *B*;

(v) *A* is a body corporate in which *B*, whether alone or together with other associates of *B* as described in sub-paragraphs (ii), (iii) and (iv), is in a position to control not less than 20% of the votes in *A*; or

(vi) *A* is a person with whom *B* has an agreement or arrangement, whether oral or in writing and whether express or implied, to act together with respect to the acquisition, holding or disposal of shares or other interests in, or with respect to the

exercise of their votes in relation to, the approved exchange.

(5) The Authority may grant its approval mentioned in subsection (1) or (2) subject to conditions or restrictions.

(6) Without prejudice to subsection (13), the Authority may, for the purposes of securing compliance with subsection (1) or (2), or any condition or restriction imposed under subsection (5), by notice in writing, direct the transfer or disposal of all or any of the shares of an approved exchange in which a substantial shareholder, 12% controller or 20% controller of the approved exchange has an interest.

(7) Until a person to whom a direction has been issued under subsection (6) transfers or disposes of the shares that are the subject of the direction, and despite anything to the contrary in the Companies Act or the constitution or other constituent document or documents of the approved exchange —

(*a*) no voting rights are exercisable in respect of the shares that are the subject of the direction;

(*b*) the approved exchange must not offer or issue any shares (whether by way of rights, bonus, share dividend or otherwise) in respect of the shares that are the subject of the direction; and

(*c*) except in a liquidation of the approved exchange, the approved exchange must not make any payment (whether by way of cash dividend, dividend in kind or otherwise) in respect of the shares that are the subject of the direction.

(8) Any issue of shares by an approved exchange in contravention of subsection (7)(*b*) is treated to be null and void, and a person to whom a direction has been issued under subsection (6) must immediately return those shares to the approved exchange, upon which the approved exchange must return to the person any payment received from the person in respect of those shares.

(9) Any payment made by an approved exchange in contravention of subsection (7)(*c*) is treated to be null and void, and a person to whom a direction has been issued under subsection (6) must immediately return the payment the person has received to the approved exchange.

(10) The Authority may, by regulations made under section 44, exempt —

(*a*) any person or class of persons; or

(*b*) any class or description of shares or interests in shares,

from the requirement under subsection (1) or (2), subject to such conditions or restrictions as may be prescribed in those regulations.

(11) The Authority may, by notice in writing, exempt any person, shares or interests in shares from subsection (1) or (2), subject to such conditions or restrictions as the Authority may specify by notice in writing.

(12) It is not necessary to publish any exemption granted under subsection (11) in the *Gazette*.

(13) Any person who contravenes subsection (1) or (2), or any condition or restriction imposed by the Authority under subsection (5), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $200,000 and, in the case of a continuing offence, to a further fine not exceeding $20,000 for every day or part of a day during which the offence continues after conviction.

(14) Any person who contravenes subsection (7)(*b*) or (*c*), (8) or (9) or any direction issued by the Authority under subsection (6) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

Approval of chairman, chief executive officer, director and key persons

28.—(1) An approved exchange must not appoint a person as its chairman, chief executive officer or director unless the approved exchange has obtained the approval of the Authority.

(2) The Authority may, by notice in writing, require an approved exchange to obtain the approval of the Authority for the appointment of any person to any key management position or committee of the approved exchange and the approved exchange must comply with the notice.

(3) An application for approval under subsection (1) or (2) must be made in such form and manner as the Authority may specify.

(4) Without prejudice to the generality of section 44 and to any other matter that the Authority may consider relevant, the Authority may, in determining whether to grant its approval under subsection (1) or (2), have regard to such criteria as the Authority may prescribe by regulations made under section 44 or notify in writing to the approved exchange.

(5) Subject to subsection (6), the Authority must not refuse an application for approval under this section without giving the approved exchange an opportunity to be heard.

(6) The Authority may refuse an application for approval on any of the following grounds without giving the approved exchange an opportunity to be heard:

(*a*) the person is an undischarged bankrupt, whether in Singapore or elsewhere;

(*b*) the person has been convicted, whether in Singapore or elsewhere, of an offence, committed before, on or after the date of commencement of section 8 of the Securities and Futures (Amendment) Act 2017 —

(i) involving fraud or dishonesty or the conviction for which involved a finding that the person had acted fraudulently or dishonestly; and

(ii) punishable with imprisonment for a term of 3 months or more.

(7) Where the Authority refuses an application for approval under this section, the Authority need not give the person who was proposed to be appointed an opportunity to be heard.

(8) An approved exchange must, as soon as practicable, give written notice to the Authority of the resignation or removal of its chairman, chief executive officer, or director, or of any person mentioned in any notice issued by the Authority to the approved exchange under subsection (2).

(9) The Authority may make regulations under section 44 relating to the composition and duties of the board of directors or any committee of an approved exchange.

(10) In this section, "committee" includes any committee of directors, disciplinary committee or appeals committee of an approved exchange, or any body responsible for disciplinary action against a member of an approved exchange.

(11) The Authority may, by regulations made under section 44, exempt any approved exchange or class of approved exchanges from complying with subsection (1) or (8), subject to such conditions or restrictions as may be prescribed in those regulations.

(12) The Authority may, by notice in writing, exempt any approved exchange from complying with subsection (1) or (8), subject to such conditions or restrictions as the Authority may specify by notice in writing.

(13) It is not necessary to publish any exemption granted under subsection (12) in the *Gazette*.

(14) Any approved exchange which contravenes subsection (1), (2) or (8) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $200,000 and, in the case of a continuing offence, to a further fine not exceeding $20,000 for every day or part of a day during which the offence continues after conviction.

Listing, de-listing or trading of certain instruments, contracts and transactions

29.—(1) An approved exchange must, in respect of any relevant product that is listed or permitted for trading on any organised market operated by the approved exchange, comply with requirements prescribed by regulations made under section 44 or specified in directions issued under section 45 relating to —

(*a*) the limits that the approved exchange must establish on the number of open positions that may be held by any participant in respect of the relevant product;

(*b*) the steps that the approved exchange must take to ensure compliance with the limits established under paragraph (*a*);

(*c*) the positions that the approved exchange must reckon for the purpose of determining if limits established under paragraph (*a*) have been exceeded;

(*d*) the settlement procedures that the approved exchange must establish in respect of the relevant product;

(*e*) the limits that the approved exchange must establish on the price movements of the relevant product; and

(*f*) any other matter in respect of the relevant product that the Authority considers necessary or expedient for the furtherance of the objectives mentioned in section 5.

(2) An approved exchange must, within such time and in such form and manner as the Authority may specify, notify the Authority that it has taken measures to comply with the requirements mentioned in subsection (1) —

(*a*) before listing or de-listing, or permitting the trading of, any relevant product on any organised market operated by the approved exchange; and

(*b*) after listing or permitting the trading of any relevant product on any organised market operated by the approved exchange.

(3) An approved exchange which is required under subsection (2) to notify the Authority must use due care to ensure that the notification is not false or misleading in any material particular.

(4) Any approved exchange which contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $200,000 and, in the case of a continuing offence, to a further fine not exceeding $20,000 for every day or part of a day during which the offence continues after conviction.

(5) Any approved exchange which contravenes subsection (2)(*a*) or (*b*) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 and, in the case of a continuing offence, to a further fine not exceeding $5,000 for every day or part of a day during which the offence continues after conviction.

(6) Any approved exchange which contravenes subsection (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000.

(7) Any participant who wilfully exceeds any limit established by an approved exchange in accordance with the requirements imposed under subsection (1)(*a*) on the number of open positions that may be held by any participant in respect of any relevant product shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000.

(8) In this section, "relevant product" means any instrument, contract or transaction on any organised market operated by the approved exchange, but does not include —

(*a*) securities;

(*b*) any unit in a collective investment scheme;

(*c*) a spot contract;

(*d*) a deposit as defined in section 4B of the Banking Act (Cap. 19), where the deposit is accepted by a bank licensed under that Act or a merchant bank approved

as a financial institution under the Monetary Authority of Singapore Act (Cap. 186);

(*e*) a deposit as defined in section 2 of the Finance Companies Act (Cap. 108), where the deposit is accepted by a finance company as defined in that section of that Act;

(*f*) any contract of insurance in relation to any class of insurance business specified in section 2(1) of the Insurance Act (Cap. 142); or

(*g*) any contract or arrangement that is, or that belongs to a class of contracts or arrangements that is, prescribed not to be a derivatives contract.

Listing of approved exchange on organised market

30.—(1) The securities or securities-based derivatives contracts of an approved exchange must not be listed for quotation on an organised market that is operated by the approved exchange or any of its related corporations unless the approved exchange and the operator of the organised market have entered into such arrangements as the Authority may require —

(*a*) for dealing with possible conflicts of interest that may arise from such listing; and

(*b*) for the purpose of ensuring the integrity of the trading of the securities or securities-based derivatives contracts, as the case may be, of the approved exchange on the organised market.

(2) Where the securities or securities-based derivatives contracts of an approved exchange are listed for quotation on an organised market operated by the approved exchange or any of its related corporations, the Authority may act in place of the operator of the organised market in making decisions and taking action, or require the operator of the organised market to make decisions and to take action on behalf of the Authority, on —

(*a*) the admission of the approved exchange to, or the removal of the approved exchange from, the official list of the organised market; and

(*b*) the granting of approval for the securities or securities-based derivatives contracts, as the case may be, of the approved exchange to be, or the stopping or suspending of the securities or securities-based derivatives contracts, as the case may be, of the approved exchange from being, listed for quotation or quoted on the organised market.

(3) The Authority may, by notice in writing to the operator of the organised market —

(*a*) modify the listing rules of the organised market for the purpose of their application to the listing for quotation or trading of the securities or securities-based derivatives contracts of the approved exchange; or

(*b*) waive the application of any listing rule of the organised market to the approved exchange.

(4) Any approved exchange which contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $200,000 and, in the case of a continuing offence, to a further fine not exceeding $20,000 for every day or part of a day during which the offence continues after conviction.

Additional powers of Authority in respect of auditors

31.—(1) If an auditor of an approved exchange, in the course of the performance of the auditor's duties, becomes aware of any matter or irregularity mentioned in the following paragraphs, the auditor must immediately send to the Authority a written report of that matter or irregularity:

(*a*) any matter that, in the auditor's opinion, adversely affects or may adversely affect the financial position of the approved exchange to a material extent;

(*b*) any matter that, in the auditor's opinion, constitutes or may constitute a breach of any provision of this Act or an offence involving fraud or dishonesty;

(*c*) any irregularity that has or may have a material effect upon the accounts of the approved exchange, including any irregularity that affects or jeopardises, or may affect or jeopardise, the funds or property of investors.

(2) An auditor of an approved exchange is not, in the absence of malice on the auditor's part, liable to any action for defamation at the suit of any person in respect of any statement made in the auditor's report under subsection (1).

(3) Subsection (2) does not restrict or affect any right, privilege or immunity that the auditor of an approved exchange may have, apart from this section, as a defendant in an action for defamation.

(4) The Authority may impose all or any of the following duties on an auditor of an approved exchange and the auditor must carry out the duties so imposed:

(*a*) a duty to submit such additional information and reports in relation to the audit as the Authority considers necessary;

(*b*) a duty to enlarge, extend or alter the scope of the audit of the business and affairs of the approved exchange;

(*c*) a duty to carry out any other examination or establish any procedure in any particular case;

(*d*) a duty to submit a report on any matter arising out of the audit, examination or establishment of procedure mentioned in paragraph (*b*) or (*c*).

(5) The approved exchange must remunerate the auditor in respect of the discharge by the auditor of all or any of the duties mentioned in subsection (4).

Subdivision (4) — Immunity

Immunity from criminal or civil liability

32.—(1) No criminal or civil liability is incurred by —

(*a*) an approved exchange; or

(*b*) any person acting on behalf of an approved exchange,

for any thing done (including any statement made) or omitted to be done with reasonable care and in good faith in the course of, or in connection with, the discharge or purported discharge of the obligations of the approved exchange under this Act or under the business rules or, where appropriate, listing rules of the approved exchange.

(2) For the purposes of subsection (1), the reference to a person acting on behalf of an approved exchange includes —

(*a*) any director of an approved exchange; or

(*b*) any member of any committee established by an approved exchange.

Division 3 — Regulation of Recognised Market Operators

General obligations

33.—(1) A recognised market operator must —

(*a*) as far as is reasonably practicable, ensure that every organised market it operates is a fair, orderly and transparent organised market;

(*b*) manage any risks associated with its business and operations prudently;

(*c*) in discharging its obligations under this Act, not act contrary to the interests of the public, having particular regard to the interests of the investing public;

(*d*) ensure that access for participation in its facilities is subject to criteria that are —

(i) fair and objective; and

(ii) designed to ensure the orderly functioning of its organised market and to protect the interests of the investing public;

(*e*) maintain business rules and, where appropriate, listing rules that make satisfactory provision for —

(i) the organised market to be operated in a fair, orderly and transparent manner; and

(ii) the proper regulation and supervision of its members;

(*f*) enforce compliance with its business rules and, where appropriate, its listing rules;

(*g*) have sufficient financial, human and system resources —

(i) to operate a fair, orderly and transparent organised market;

(ii) to meet contingencies or disasters; and

(iii) to provide adequate security arrangements;

(*h*) maintain governance arrangements that are adequate for its organised market to be operated in a fair, orderly and transparent manner; and

(*i*) ensure that it appoints or employs fit and proper persons as its chairman, chief executive officer, directors and key management officers.

(2) In subsection (1)(*g*), "contingencies or disasters" includes technical disruptions occurring within automated systems.

Obligation to notify Authority of certain matters

34.—(1) A recognised market operator must, as soon as practicable after the occurrence of any of the following circumstances, notify the Authority of the circumstance:

(*a*) any material change to the information provided by the recognised market operator in its application under section 8(1) or (2) or 12(1);

(*b*) the recognised market operator becoming aware of any financial irregularity or other matter which in its opinion —

(i) may affect its ability to discharge its financial obligations; or

(ii) may affect the ability of a participant of the recognised market operator to meet its financial obligations to the recognised market operator;

(*c*) any other matter that the Authority may —

(i) prescribe by regulations made under section 44 for the purposes of this paragraph; or

(ii) specify by notice in writing to the recognised market operator in any particular case.

(2) A recognised market operator must notify the Authority of any matter that the Authority may prescribe by regulations made under section 44 for the purposes of this subsection, no later than such time as the Authority may prescribe by those regulations.

(3) A recognised market operator must notify the Authority of any matter that the Authority may specify by notice in writing to the recognised market operator, no later than such time as the Authority may specify in that notice.

Obligation to manage risks prudently

35.—(1) Without prejudice to the generality of section 33(1)(*b*), a recognised market operator must ensure that the systems and controls concerning the assessment and management of risks to every organised market that the recognised market operator operates are adequate and appropriate for the scale and nature of its operations.

(2) Any recognised market operator which contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

Obligation to maintain proper records

36.—(1) A recognised market operator must maintain a record of all transactions effected through its organised market in accordance with regulations mentioned in subsection (2).

(2) The Authority may by regulations made under section 44 prescribe —

(*a*) the form and manner in which the record mentioned in subsection (1) is to be maintained;

(*b*) the extent to which the record includes details of each transaction; and

(*c*) the period of time that the record is to be maintained.

Obligation to submit periodic reports

37. A recognised market operator must submit to the Authority such reports in such form and manner, and at such frequency, as the Authority may prescribe by regulations made under section 44.

Obligation to assist Authority

38. A recognised market operator must provide such assistance to the Authority as the Authority may require for the performance of the functions and duties of the Authority, including —

(*a*) the furnishing of such returns as the Authority may require for the proper administration of this Act; and

(*b*) the provision of —

(i) such books and information as the Authority may require for the proper administration of this Act, being books and information —

(A) relating to the business of the recognised market operator;

(B) in respect of any transaction or class of transactions, whether completed or uncompleted, effected through the

organised market of the recognised market operator; or

(C) in respect of any product or class of products traded on the organised market of the recognised market operator; and

(ii) such other information as the Authority may require for the proper administration of this Act.

Obligation to maintain confidentiality

39.—(1) Subject to subsection (2), a recognised market operator and its officers and employees must maintain, and aid in maintaining, the confidentiality of all user information that —

(*a*) comes to the knowledge of the recognised market operator or any of its officers or employees; or

(*b*) is in the possession of the recognised market operator or any of its officers or employees.

(2) Subsection (1) does not apply to —

(*a*) the disclosure of user information for such purposes, or in such circumstances, as the Authority may prescribe by regulations made under section 44;

(*b*) any disclosure of user information which is authorised by the Authority to be disclosed or furnished; or

(*c*) the disclosure of user information pursuant to any requirement imposed under any written law or order of court in Singapore.

(3) To avoid doubt, nothing in this section is to be construed as preventing a recognised market operator from entering into a written agreement with a user that obliges the recognised market operator to maintain a higher degree of confidentiality than that specified in this section.

Non-compliance with business rules or listing rules not to substantially affect rights of person

40. Any failure by a recognised market operator to comply with —

(*a*) this Act;

(*b*) its business rules; or

(*c*) where applicable, its listing rules,

in relation to a matter does not prevent the matter from being treated, for the purposes of this Act, as done in accordance with the business rules or listing rules so long as the failure does not substantially affect the rights of any person entitled to require compliance with the business rules or listing rules.

Listing, de-listing or trading of certain instruments, contracts and transactions

41.—(1) A recognised market operator must, in respect of any relevant product that is listed or permitted for trading on any organised market operated by the recognised market operator, comply with requirements prescribed by regulations made under section 44 or specified in directions issued under section 45 relating to —

(*a*) the limits that the recognised market operator must establish on the number of open positions that may be held by any participant in respect of the relevant product;

(*b*) the steps that the recognised market operator must take to ensure compliance with the limits established under paragraph (*a*);

(*c*) the positions that the recognised market operator must reckon for the purpose of determining if limits established under paragraph (*a*) have been exceeded;

(*d*) the settlement procedures that the recognised market operator must establish in respect of the relevant product;

(*e*) the limits that the recognised market operator must establish on the price movements of the relevant product; and

(*f*) any other matter in respect of the relevant product that the Authority considers necessary or expedient for the furtherance of the objectives mentioned in section 5.

(2) A recognised market operator must, within such time and in such form and manner as the Authority may specify, notify the Authority that it has taken measures to comply with the requirements mentioned in subsection (1) —

(*a*) before listing or de-listing, or permitting the trading of, any relevant product on any organised market operated by the recognised market operator; and

(*b*) after listing or permitting the trading of any relevant product on any organised market operated by the recognised market operator.

(3) A recognised market operator which is required under subsection (2) to notify the Authority must use due care to ensure that the notification is not false or misleading in any material particular.

(4) Any recognised market operator which contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

(5) Any recognised market operator which contravenes subsection (2)(*a*) or (*b*) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 and, in the case of a continuing offence, to a further fine not exceeding $5,000 for every day or part of a day during which the offence continues after conviction.

(6) Any recognised market operator which contravenes subsection (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000.

(7) Any participant who wilfully exceeds any limit established by a recognised market operator in accordance with the requirements imposed under subsection (1)(*a*) on the number of open positions that may be held by any participant in respect of any relevant product shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000.

(8) In this section, "relevant product" means any instrument, contract or transaction on any organised market operated by the recognised market operator, but does not include —

(*a*) securities;

(*b*) any unit in a collective investment scheme;

(*c*) a spot contract;

(*d*) a deposit as defined in section 4B of the Banking Act (Cap. 19), where the deposit is accepted by a bank licensed under that Act or a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186);

(*e*) a deposit as defined in section 2 of the Finance Companies Act (Cap. 108), where the deposit is accepted by a finance company as defined in that section of that Act;

(*f*) any contract of insurance in relation to any class of insurance business specified in section 2(1) of the Insurance Act (Cap. 142); or

(*g*) any contract or arrangement that is, or that belongs to a class of contracts or arrangements that is, prescribed not to be a derivatives contract.

Penalties under this Division

42. Any recognised market operator which contravenes section 33(1), 34, 36(1), 37, 38 or 39(1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

Division 4 — General Powers of Authority

Power of Authority to remove officers

43.—(1) Subsection (2) applies if the Authority is satisfied that an officer of an approved exchange or a recognised market operator (such approved exchange or recognised market operator being a Singapore corporation) —

(*a*) has wilfully contravened, or wilfully caused the approved exchange or recognised market operator to contravene —

(i) this Act;

(ii) where applicable, the business rules of the approved exchange or recognised market operator; or

(iii) where applicable, the listing rules of the approved exchange or recognised market operator;

(*b*) has, without reasonable excuse, failed to ensure compliance with this Act, or with the business rules, or, where applicable, the listing rules of the approved exchange or recognised market operator, by the approved exchange or recognised market operator, by a participant of the approved exchange or recognised market operator, or by a person associated with that participant;

(*c*) has failed to discharge the duties or functions of the officer's office or employment;

(*d*) is an undischarged bankrupt, whether in Singapore or elsewhere;

(*e*) has had execution against him in respect of a judgment debt returned unsatisfied in whole or in part;

(*f*) has, whether in Singapore or elsewhere, made a compromise or scheme of arrangement with the officer's creditors, being a compromise or scheme of arrangement that is still in operation; or

(*g*) has been convicted, whether in Singapore or elsewhere, of an offence, committed before, on or after the date of commencement of section 8 of the Securities and Futures (Amendment) Act 2017, involving fraud or dishonesty or the conviction for which involved a finding that the officer had acted fraudulently or dishonestly.

(2) In any case mentioned in subsection (1), the Authority may, if it thinks it necessary in the interests of the public or a section of the public or for the protection of investors, by notice in writing direct the approved exchange or recognised market operator to remove the officer from the officer's office or employment, and the approved exchange or recognised market operator must comply with such notice, despite the provisions of section 152 of the Companies Act (Cap. 50) or anything in any other law or in the constitution or other constituent document or documents of the approved exchange or recognised market operator.

(3) Without prejudice to any other matter that the Authority may consider relevant, the Authority may, in determining whether an officer of an approved exchange or a recognised market operator has failed to discharge the duties or functions of the officer's office or employment for the purposes of subsection (1)(*c*), have regard to such criteria as the Authority may prescribe by regulations made under section 44 or notify in writing to the approved exchange or recognised market operator, as the case may be.

(4) Subject to subsection (5), the Authority must not direct an approved exchange or a recognised market operator to remove an officer from the officer's office or employment without giving the approved exchange or recognised market operator an opportunity to be heard.

(5) The Authority may direct an approved exchange or a recognised market operator to remove an officer from the officer's office or employment under subsection (2) on any of the following grounds without giving the approved exchange or recognised market operator an opportunity to be heard:

(*a*) the officer is an undischarged bankrupt, whether in Singapore or elsewhere;

(*b*) the officer has been convicted, whether in Singapore or elsewhere, of an offence, committed before, on or after the date of commencement of section 8 of the Securities and Futures (Amendment) Act 2017 —

(i) involving fraud or dishonesty or the conviction for which involved a finding that the officer had acted fraudulently or dishonestly; and

(ii) punishable with imprisonment for a term of 3 months or more.

(6) Where the Authority directs an approved exchange or a recognised market operator to remove an officer from the officer's office or employment under subsection (2), the Authority need not give that officer an opportunity to be heard.

(7) Any approved exchange or recognised market operator that is aggrieved by a direction of the Authority made in relation to the approved exchange or recognised market operator, as the case may be, under subsection (2) may, within 30 days after the approved exchange or recognised market operator, as the case may be, is notified of the direction, appeal to the Minister whose decision is final.

(8) Despite the lodging of an appeal under subsection (7), any action taken by the Authority under this section continues to have effect pending the decision of the Minister.

(9) The Minister may, when deciding an appeal under subsection (7), make such modification as the Minister considers necessary to any action taken by the Authority under this section, and such modified action has effect starting on the date of the decision of the Minister.

(10) Subject to subsection (11), no criminal or civil liability is incurred by an approved exchange or a recognised market operator in respect of any thing done or omitted to be done with reasonable care and in good faith in the discharge or purported discharge of its obligations under this section.

(11) Any approved exchange or recognised market operator that, without reasonable excuse, contravenes a notice issued under subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

Power of Authority to make regulations

44.—(1) Without prejudice to section 341, the Authority may make regulations for the purposes of this Part, including regulations —

(*a*) relating to the approval of approved exchanges and the recognition of recognised market operators;

(*b*) relating to the requirements applicable to any person who establishes, operates or assists in establishing or operating an organised market, whether or not the person is approved as an approved exchange under section 9(1)(*a*) or recognised as a recognised market operator under section 9(1)(*b*) or (2); and

(*c*) specifying measures to manage any risks assumed by an approved exchange or a recognised market operator.

(2) Regulations made under this section may provide —

(*a*) that a contravention of any specified provision of the regulations made under this section shall be an offence; and

(*b*) for a penalty not exceeding a fine of $150,000 or imprisonment for a term not exceeding 12 months or both for each offence and, in the case of a continuing offence, a further penalty not exceeding a fine of 10% of the maximum fine prescribed for that offence for every day or part of a day during which the offence continues after conviction.

Power of Authority to issue directions

45.—(1) The Authority may issue directions, whether of a general or specific nature, by notice in writing, to an approved exchange or a recognised market operator, if the Authority thinks it necessary or expedient —

(*a*) for ensuring the fair, orderly and transparent operation of any organised market operated by the approved exchange or recognised market operator, or of organised markets operated by approved exchanges or recognised market operators in general;

(*b*) for ensuring the integrity and stability of the capital markets or the financial system;

(*c*) in the interests of the public or a section of the public or for the protection of investors;

(*d*) for the effective administration of this Act; or

(*e*) for ensuring compliance with any condition or restriction as may be imposed by the Authority under section 9(4) or (5), 16(2), 27(5), (10) or (11), 28(11) or (12) or 46AAG(1) or (2), or such other obligations or requirements under this Act or as may be prescribed by regulations made under section 44.

(2) An approved exchange or recognised market operator must comply with every direction issued to it under subsection (1).

(3) Any approved exchange or recognised market operator that, without reasonable excuse, contravenes a direction issued to it under subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

(4) It is not necessary to publish any direction issued under subsection (1) in the *Gazette*.

Power of Authority in organised market

46.—(1) Without prejudice to the generality of section 45, where the Authority is of the opinion that it is necessary to prohibit trading in —

(*a*) particular securities of, or made available by, an entity;

(*b*) particular securities-based derivatives contracts of, or made available by, an entity; or

(*c*) particular units in a collective investment scheme,

on an organised market of an approved exchange or a recognised market operator —

(i) in order to protect persons buying or selling the securities, securities-based derivatives contracts or units in a collective investment scheme, as the case may be; or

(ii) in the interests of the public,

the Authority may give notice in writing to the approved exchange or recognised market operator stating that it is of that opinion and setting out the reasons for its opinion.

(2) If, after the receipt of the notice given under subsection (1), the approved exchange or recognised market operator fails to take any action in relation to the particular securities, securities-based derivatives contracts, or units in a collective investment scheme, as the case may be, on that organised market and the Authority continues to be of the opinion that it is necessary to prohibit trading in the particular securities, securities-based derivatives contracts, or units in a collective investment scheme, as the case may be, on that organised market so as to achieve the objectives under subsection (1)(i) or (ii), the Authority may, by notice in writing to the approved exchange or recognised market operator —

(*a*) prohibit trading in the particular securities, securities-based derivatives contracts, or units in a collective investment scheme, as the case may be, on

that organised market for such period not exceeding 14 days, as specified in the notice; and

(*b*) impose conditions or restrictions on the approved exchange or recognised market operator, as specified in the notice.

(3) The Authority may, at any time, by notice in writing, add to, vary or revoke any condition or restriction mentioned in subsection (2)(*b*).

(4) An approved exchange or a recognised market operator on which a condition or restriction is imposed under subsection (2)(*b*) or (3) must satisfy that condition or restriction.

(5) Where the Authority gives a notice to an approved exchange or a recognised market operator under subsection (2), the Authority must —

(*a*) at the same time send a copy of the notice to —

(i) in the case of securities, the entity;

(ii) in the case of securities-based derivatives contracts, the entity; or

(iii) in the case of units in a collective investment scheme, the responsible person of the collective investment scheme,

together with a statement setting out the reasons for the giving of the notice; and

(*b*) as soon as practicable, furnish to the Minister a written report setting out the reasons for the giving of the notice and send a copy of the report to the approved exchange or recognised market operator.

(6) Any person who is aggrieved by any action taken by the Authority, an approved exchange or a recognised market operator under this section may, within 30 days after the person is notified of the action, appeal to the Minister whose decision is final.

(7) Despite the lodging of an appeal under subsection (6), any action taken by the Authority, an approved exchange or a recognised market operator under this section continues to have effect pending the decision of the Minister.

(8) The Minister may, when deciding an appeal under subsection (6), make such modification as the Minister considers necessary to any action taken by the Authority, an approved exchange or a recognised market operator under this section, and such modified action has effect starting on the date of the decision of the Minister.

(9) Any approved exchange or recognised market operator which permits trading in securities, securities-based derivatives contracts, or units in a collective investment scheme, on the organised market of the approved exchange or recognised market operator in contravention of a notice given under subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000 and, in the case of a continuing offence, to a further fine not exceeding $10,000 for every day or part of a day during which the offence continues after conviction.

Emergency powers of Authority

46AA.—(1) Where the Authority has reason to believe that an emergency exists, or thinks that it is necessary or expedient in the interests of the public or a section of the public or for the protection of investors, the Authority may by notice direct in writing an approved exchange or a recognised market operator, as the case may be, to take such action as the Authority considers necessary to maintain or restore the fair, orderly and transparent operation of the organised markets operated by the approved exchange or recognised market operator, as the case may be.

(2) Without prejudice to subsection (1), the actions which the Authority may direct an approved exchange or a recognised market operator, as the case may be, to take include —

(*a*) terminating or suspending trading on the organised market operated by the approved exchange or recognised market operator;

(*b*) confining trading to liquidation of positions in capital markets products;

(*c*) ordering the liquidation of any position or all positions or the reduction in any position or all positions;

(*d*) limiting trading to a specific price range;

(*e*) modifying trading days or hours;

(*f*) altering conditions of delivery;

(*g*) fixing the settlement price at which positions are to be liquidated;

(*h*) requiring any person to act in a specified manner in relation to trading in capital markets products or any class of capital markets products;

(*i*) requiring margins or additional margins for any capital markets products; and

(*j*) modifying or suspending any of the business rules, or listing rules, as the case may be, of the approved exchange or recognised market operator, as the case may be.

(3) Where an approved exchange or a recognised market operator fails to comply with any direction of the Authority under subsection (1) within such time as is specified by the Authority, the Authority may —

(*a*) set margin levels in any capital markets products or class of capital markets products to cater for the emergency;

(*b*) set limits that may apply to positions acquired in good faith by any person prior to the date of the notice issued by the Authority; or

(*c*) take such other action to maintain or restore the fair, orderly and transparent operation of the organised markets operated by the approved exchange or recognised market operator, as the case may be.

(4) In this section, "emergency" means any threatened or actual market manipulation or cornering, and includes —

(*a*) any act of any government affecting any commodity or financial instrument;

(*b*) any major market disturbance that prevents an organised market from accurately reflecting the forces of supply and demand for any commodity or financial instrument; or

(*c*) any undesirable situation or practice that, in the opinion of the Authority, constitutes an emergency.

(5) The Authority may modify any action taken by an approved exchange or a recognised market operator under subsection (1), including the setting aside of that action.

(6) Any person which is aggrieved by any action taken under this section by the Authority, an approved exchange or a recognised market operator, may, within 30 days after the person is notified of the action, appeal to the Minister whose decision is final.

(7) Despite the lodging of an appeal under subsection (6), any action taken under this section by the Authority, an approved exchange or a recognised market operator, continues to have effect pending the decision of the Minister.

(8) The Minister may, when deciding an appeal under subsection (6), make such modification as the Minister considers necessary to any action taken under this section by the Authority, an approved exchange or a recognised market operator, and such modified action has effect starting on the date of the decision of the Minister.

(9) Any approved exchange or recognised market operator which fails to comply with a direction issued under subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

Interpretation of sections 46AAA to 46AAF

46AAA. In this section and sections 46AAB to 46AAF, unless the context otherwise requires —

"business" includes affairs and property;

"office holder", in relation to an approved exchange or a recognised market operator, means any person acting as the liquidator, the provisional liquidator, the receiver or the receiver and manager of the approved exchange or recognised market operator (as the case may be), or acting in an equivalent capacity in relation to the approved exchange or recognised market operator (as the case may be);

"relevant business" means any business of an approved exchange or a recognised market operator —

(*a*) that the Authority has assumed control of under section 46AAB; or

(*b*) in relation to which a statutory adviser or a statutory manager has been appointed under section 46AAB;

"statutory adviser" means a statutory adviser appointed under section 46AAB;

"statutory manager" means a statutory manager appointed under section 46AAB.

Action by Authority if approved exchange or recognised market operator unable to meet obligations, etc.

46AAB.—(1) The Authority may exercise any one or more of the powers specified in subsection (2) as appears to it to be necessary, where —

(*a*) an approved exchange or a recognised market operator informs the Authority that it is or is likely to become insolvent, or that it is or is likely to become unable to meet its obligations, or that it has suspended or is about to suspend payments;

(*b*) an approved exchange or a recognised market operator becomes unable to meet its obligations, or is insolvent, or suspends payments;

(*c*) the Authority is of the opinion that an approved exchange or a recognised market operator —

(i) is carrying on its business in a manner likely to be detrimental to the interests of the public or a section of the public or to the protection of investors, or to the objectives specified in section 5;

(ii) is or is likely to become insolvent, or is or is likely to become unable to meet its obligations, or is about to suspend payments;

(iii) has contravened any of the provisions of this Act; or

(iv) has failed to comply with any condition or restriction imposed on it under section 9(4) or (5); or

(*d*) the Authority considers it in the public interest to do so.

(2) Subject to subsections (1) and (3), the Authority may —

(*a*) require the approved exchange or recognised market operator (as the case may be) immediately to take any action or to do or not to do any act or thing whatsoever in relation to its business as the Authority may consider necessary;

(*b*) appoint one or more persons as statutory adviser, on such terms and conditions as the Authority may specify, to advise the approved exchange or recognised market operator (as the case may be) on the proper management of such of the business of the approved exchange or recognised market operator (as the case may be) as the Authority may determine; or

(*c*) assume control of and manage such of the business of the approved exchange or recognised market operator (as the case may be) as the Authority may determine, or appoint one or more persons as statutory manager to do so on such terms and conditions as the Authority may specify.

(3) In the case of a recognised market operator that is incorporated outside Singapore, any appointment of a statutory adviser or statutory manager or any assumption of control by the Authority of any business of the recognised market operator (as the case may be) under subsection (2) is only in relation to —

(*a*) the business or affairs of the recognised market operator carried on in, or managed in or from, Singapore; or

(*b*) the property of the recognised market operator located in Singapore, or reflected in the books of the recognised market operator in Singapore, as the case may be, in relation to its operations in Singapore.

(4) Where the Authority appoints 2 or more persons as the statutory manager of an approved exchange or a recognised market operator, the Authority must specify, in the terms and conditions of the appointment, which of the duties, functions and powers of the statutory manager —

(*a*) may be discharged or exercised by such persons jointly and severally;

(*b*) must be discharged or exercised by such persons jointly; and

(*c*) must be discharged or exercised by a specified person or such persons.

(5) Where the Authority has exercised any power under subsection (2), the Authority may, at any time and without prejudice to its power under section 14(1)(*e*), do one or more of the following:

(*a*) vary or revoke any requirement of, any appointment made by or any action taken by the Authority in the exercise of such power, on such terms and conditions as it may specify;

(*b*) further exercise any of the powers under subsection (2);

(*c*) add to, vary or revoke any term or condition specified by the Authority under this section.

(6) No liability is incurred by a statutory manager or a statutory adviser for anything done (including any statement made) or omitted to be done with reasonable care and in good faith in the course of or in connection with —

(*a*) the exercise or purported exercise of any power under this Act;

(*b*) the performance or purported performance of any function or duty under this Act; or

(*c*) the compliance or purported compliance with this Act.

(7) Any approved exchange or recognised market operator that fails to comply with a requirement imposed by the Authority under subsection (2)(*a*) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

Effect of assumption of control under section 46AAB

46AAC.—(1) Upon assuming control of the relevant business of an approved exchange or a recognised market operator, the Authority or statutory manager, as the case may be, must take custody or control of the relevant business.

(2) During the period when the Authority or statutory manager is in control of the relevant business of an approved exchange or a recognised market operator, the Authority or statutory manager —

(*a*) must manage the relevant business of the approved exchange or recognised market operator (as the case may be) in the name of and on behalf of the approved exchange or recognised market operator (as the case may be); and

(*b*) is to be treated to be an agent of the approved exchange or recognised market operator (as the case may be).

(3) In managing the relevant business of an approved exchange or a recognised market operator, the Authority or statutory manager —

(*a*) must take into consideration the interests of the public or the section of the public mentioned in section 46AAB(1)(*c*)(i), and the need to protect investors; and

(*b*) has all the duties, powers and functions of the members of the board of directors of the approved exchange or recognised market operator (as the case may be) (collectively and individually) under this Act, the Companies Act (Cap. 50) and the constitution of the approved exchange or recognised market operator (as the case may be), including powers of delegation, in relation to the relevant business of the approved exchange or recognised market operator (as the case may be); but nothing in this paragraph requires the Authority or statutory manager to call any meeting of the approved exchange or recognised market operator (as the case may be) under the Companies Act or the constitution of the approved exchange or recognised market operator (as the case may be).

(4) Upon the assumption of control of the relevant business of an approved exchange or a recognised market operator by the Authority or statutory manager, any appointment of a person as the chief executive officer or a director of the approved exchange or recognised market operator (as the case may be), which was in force immediately before the assumption of control, is treated to

be revoked unless the Authority gives its approval, by notice in writing to the person and the approved exchange or recognised market operator (as the case may be), for the person to remain in the appointment.

(5) During the period when the Authority or statutory manager is in control of the relevant business of an approved exchange or a recognised market operator, a person must not, except with the approval of the Authority, be appointed as the chief executive officer or a director of the approved exchange or recognised market operator (as the case may be).

(6) Where the Authority has given its approval under subsection (4) or (5) for a person to remain in the appointment of, or to be appointed as, the chief executive officer or a director of an approved exchange or a recognised market operator, the Authority may at any time, by notice in writing to the person, and the approved exchange or recognised market operator (as the case may be), revoke that approval, and the appointment is treated to be revoked on the date specified in the notice.

(7) If any person, whose appointment as the chief executive officer or a director of an approved exchange or a recognised market operator is revoked under subsection (4) or (6), acts or purports to act after the revocation as the chief executive officer or a director of the approved exchange or recognised market operator (as the case may be) during the period when the Authority or statutory manager is in control of the relevant business of the approved exchange or recognised market operator (as the case may be) —

(*a*) the act or purported act of the person is invalid and of no effect; and

(*b*) the person shall be guilty of an offence.

(8) If any person who is appointed as the chief executive officer or a director of an approved exchange or a recognised market operator in contravention of subsection (5) acts or purports to act as the chief executive officer or a director of the approved exchange or recognised market operator (as the case may be) during the period when the Authority or statutory

manager is in control of the relevant business of the approved exchange or recognised market operator (as the case may be) —

(*a*) the act or purported act of the person is invalid and of no effect; and

(*b*) the person shall be guilty of an offence.

(9) During the period when the Authority or statutory manager is in control of the relevant business of an approved exchange or a recognised market operator —

(*a*) if there is any conflict or inconsistency between —

(i) a direction or decision given by the Authority or statutory manager (including a direction or decision given to a person or body of persons mentioned in sub-paragraph (ii)); and

(ii) a direction or decision given by any chief executive officer, director, member, executive officer, employee, agent or office holder, or the board of directors, of the approved exchange or recognised market operator (as the case may be),

the direction or decision mentioned in sub-paragraph (i), to the extent of the conflict or inconsistency, prevails over the direction or decision mentioned in sub-paragraph (ii); and

(*b*) a person must not exercise any voting or other right attached to any share in the approved exchange or recognised market operator (as the case may be) in any manner that may defeat or interfere with any duty, function or power of the Authority or statutory manager, and any such act or purported act is invalid and of no effect.

(10) Any person who is guilty of an offence under subsection (7) or (8) shall be liable on conviction to a fine not exceeding $150,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a

further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

(11) Subsections (4), (5), (7) and (8) have effect despite any written law or rule of law to the contrary.

Duration of control

46AAD.—(1) The Authority must cease control of the relevant business of an approved exchange or a recognised market operator if the Authority is satisfied that —

(*a*) the reasons for the Authority's assumption of control have ceased to exist; or

(*b*) the Authority's assumption of control is no longer necessary in the interests of the public or the section of the public mentioned in section 46AAB(1)(*c*)(i), or for the protection of investors.

(2) A statutory manager is treated to have assumed control of the relevant business of an approved exchange or a recognised market operator on the date of appointment as a statutory manager.

(3) The appointment of a statutory manager in relation to the relevant business of an approved exchange or a recognised market operator may be revoked by the Authority at any time —

(*a*) if the Authority is satisfied that —

(i) the reasons for the appointment have ceased to exist; or

(ii) the appointment is no longer necessary in the interests of the public or the section of the public mentioned in section 46AAB(1)(*c*)(i), or for the protection of investors; or

(*b*) on any other ground,

and upon such revocation, the statutory manager must cease control of the relevant business of the approved exchange or recognised market operator (as the case may be).

(4) The Authority must, as soon as practicable, publish in the *Gazette* the date, and such other particulars as the Authority thinks fit, of —

(*a*) the Authority's assumption of control of the relevant business of an approved exchange or a recognised market operator;

(*b*) the cessation of the Authority's control of the relevant business of an approved exchange or a recognised market operator;

(*c*) the appointment of a statutory manager in relation to the relevant business of an approved exchange or a recognised market operator; and

(*d*) the revocation of a statutory manager's appointment in relation to the relevant business of an approved exchange or a recognised market operator.

Responsibilities of officers, member, etc., of approved exchange or recognised market operator

46AAE.—(1) During the period when the Authority or statutory manager is in control of the relevant business of an approved exchange or a recognised market operator —

(*a*) the High Court may, on an application by the Authority or statutory manager, direct any person who ceased to be or still is a chief executive officer, director, member, executive officer, employee, agent, banker, auditor or office holder of, or trustee for, the approved exchange or recognised market operator (as the case may be) to pay, deliver, convey, surrender or transfer to the Authority or statutory manager, within such period as the High Court may specify, any property or book of the approved exchange or recognised market operator (as the case may be) which is comprised in, forms part of or relates to the relevant business of the approved exchange or recognised market operator (as the case may be), and which is in the person's possession or control; and

(*b*) any person who ceased to be or still is a chief executive officer, director, member, executive officer, employee, agent, banker, auditor or office holder of, or trustee for, the approved exchange or recognised market operator (as the case may be) must give to the Authority or statutory manager such information as the Authority or statutory manager may require for the discharge of the Authority's or statutory manager's duties or functions, or the exercise of the Authority's or statutory manager's powers, in relation to the approved exchange or recognised market operator (as the case may be), within such time and in such manner as may be specified by the Authority or statutory manager.

(2) Any person who —

(*a*) without reasonable excuse, fails to comply with subsection (1)(*b*); or

(*b*) in purported compliance with subsection (1)(*b*), knowingly or recklessly furnishes any information or document that is false or misleading in a material particular,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding $5,000 for every day or part of a day during which the offence continues after conviction.

Remuneration and expenses of Authority and others in certain cases

46AAF.—(1) The Authority may at any time fix the remuneration and expenses to be paid by an approved exchange or a recognised market operator —

(*a*) to a statutory manager or statutory adviser appointed in relation to the approved exchange or recognised market operator (as the case may be), whether or not the appointment has been revoked; and

(*b*) where the Authority has assumed control of the relevant business of the approved exchange or recognised market operator (as the case may be), to the Authority and any person appointed by the Authority under section 320 in relation to the Authority's assumption of control of the relevant business, whether or not the Authority has ceased to be in control of the relevant business.

(2) The approved exchange or recognised market operator (as the case may be) must reimburse the Authority any remuneration and expenses payable by the approved exchange or recognised market operator (as the case may be) to a statutory manager or statutory adviser.

Power of Authority to exempt approved exchange or recognised market operator from provisions of this Part

46AAG.—(1) The Authority may, by regulations made under section 44, exempt —

(*a*) any approved exchange or recognised market operator; or

(*b*) any class of approved exchanges or class of recognised market operators,

from any provision of this Part, subject to such conditions or restrictions as the Authority may prescribe in those regulations.

(2) The Authority may, by notice in writing, exempt any approved exchange or recognised market operator from any provision of this Part, subject to such conditions or restrictions as the Authority may specify by notice in writing, if the Authority is satisfied that such exemption will not detract from the objectives specified in section 5.

(3) The Authority may, at any time, by notice in writing, add to, vary or revoke the conditions or restrictions mentioned in subsection (2).

(4) An approved exchange or a recognised market operator that is exempted under subsection (1) must satisfy every condition or restriction imposed on it under that subsection.

(5) An approved exchange or a recognised market operator that is exempted under subsection (2) must, for the duration of the exemption, satisfy every condition or restriction imposed on it under that subsection and subsection (3).

(6) It is not necessary to publish any exemption granted under subsection (2) in the *Gazette*.

Division 5 — Voluntary Transfer of Business of Approved Exchange or Recognised Market Operator

Interpretation of this Division

46AAH. In this Division, unless the context otherwise requires —

"business" includes affairs, property, right, obligation and liability;

"Court" means the High Court or a Judge of the High Court;

"debenture" has the same meaning as in section 4(1) of the Companies Act (Cap. 50);

"property" includes property, right and power of every description;

"Registrar of Companies" means the Registrar of Companies appointed under the Companies Act and includes any Deputy or Assistant Registrar of Companies appointed under that Act;

"transferee" means an approved exchange or a recognised market operator, or a corporation which has applied or will be applying for approval or recognition to carry on in Singapore the usual business of an approved exchange or a recognised market operator, to which the whole or any part of a transferor's business is, is to be or is proposed to be transferred under this Division;

"transferor" means an approved exchange or a recognised market operator the whole or any part of the business of which is, is to be, or is proposed to be transferred under this Division.

Voluntary transfer of business

46AAI.—(1) A transferor may transfer the whole or any part of its business (including any business that is not the usual business of an approved exchange or a recognised market operator) to a transferee, if —

(*a*) the Authority has consented to the transfer;

(*b*) the transfer involves the whole or any part of the business of the transferor that is the usual business of an approved exchange or a recognised market operator; and

(*c*) the Court has approved the transfer.

(2) Subsection (1) is without prejudice to the right of an approved exchange or a recognised market operator to transfer the whole or any part of its business under any law.

(3) The Authority may consent to a transfer under subsection (1)(*a*) if the Authority is satisfied that —

(*a*) the transferee is a fit and proper person; and

(*b*) the transferee will conduct the business of the transferor prudently and comply with the provisions of this Act.

(4) The Authority may at any time appoint one or more persons to perform an independent assessment of, and furnish a report on, the proposed transfer of a transferor's business (or any part of a transferor's business) under this Division.

(5) The remuneration and expenses of any person appointed under subsection (4) must be paid by the transferor and the transferee jointly and severally.

(6) The Authority must serve a copy of any report furnished under subsection (4) on the transferor and the transferee.

(7) The Authority may require a person to furnish, within the period and in the manner specified by the Authority, any information or document that the Authority may reasonably require for the discharge of its duties or functions, or the exercise of its powers, under this Division.

(8) Any person who —

(*a*) without reasonable excuse, fails to comply with any requirement under subsection (7); or

(*b*) in purported compliance with any requirement under subsection (7), knowingly or recklessly furnishes any information or document that is false or misleading in a material particular,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $200,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding $20,000 for every day or part of a day during which the offence continues after conviction.

(9) Where a person claims, before furnishing the Authority with any information or document that the person is required to furnish under subsection (7), that the information or document might tend to incriminate the person, the information or document is not admissible in evidence against the person in criminal proceedings other than proceedings under subsection (8).

Approval of transfer

46AAJ.—(1) A transferor must apply to the Court for its approval of the transfer of the whole or any part of the business of the transferor to the transferee under this Division.

(2) Before making an application under subsection (1) —

(*a*) the transferor must lodge with the Authority a report setting out such details of the transfer and furnish such supporting documents as the Authority may specify;

(*b*) the transferor must obtain the consent of the Authority under section 46AAI(1)(*a*);

(*c*) the transferor and the transferee must, if they intend to serve on their respective participants a summary of the transfer, obtain the Authority's approval of the summary;

(*d*) the transferor must, at least 15 days before the application is made but not earlier than one month after the report mentioned in paragraph (*a*) is lodged with the Authority, publish in the *Gazette* and in such newspaper or newspapers as the Authority may determine a notice of the transferor's intention to make the application and containing such other particulars as may be prescribed by regulations made under section 44;

(*e*) the transferor and the transferee must keep at their respective offices in Singapore, for inspection by any person who may be affected by the transfer, a copy of the report mentioned in paragraph (*a*) for a period of 15 days after the notice referred to in paragraph (*d*) is published in the *Gazette*; and

(*f*) unless the Court directs otherwise, the transferor and the transferee must serve on their respective participants who are affected by the transfer, at least 15 days before the application is made, a copy of the report mentioned in paragraph (*a*) or a summary of the transfer approved by the Authority under paragraph (*c*).

(3) The Authority and any person who, in the opinion of the Court, is likely to be affected by the transfer —

(*a*) have the right to appear before and be heard by the Court in any proceedings relating to the transfer; and

(*b*) may make any application to the Court in relation to the transfer.

(4) The Court must not approve the transfer if the Authority has not consented under section 46AAI(1)(*a*) to the transfer.

(5) The Court may, after considering the views, if any, of the Authority on the transfer —

(*a*) approve the transfer without modification or subject to any modification agreed to by the transferor and the transferee; or

(*b*) refuse to approve the transfer.

(6) If the transferee is not approved as an approved exchange or recognised as a recognised market operator by the Authority, the Court may approve the transfer on terms that the transfer takes effect only in the event of the transferee being approved as an approved exchange or recognised as a recognised market operator by the Authority.

(7) The Court may by the order approving the transfer or by any subsequent order provide for all or any of the following matters:

(*a*) the transfer to the transferee of the whole or any part of the business of the transferor;

(*b*) the allotment or appropriation by the transferee of any share, debenture, policy or other interest in the transferee which under the transfer is to be allotted or appropriated by the transferee to or for any person;

(*c*) the continuation by (or against) the transferee of any legal proceedings pending by (or against) the transferor;

(*d*) the dissolution, without winding up, of the transferor;

(*e*) the provisions to be made for persons who are affected by the transfer;

(*f*) such incidental, consequential and supplementary matters as are, in the opinion of the Court, necessary to secure that the transfer is fully effective.

(8) Any order under subsection (7) may —

(*a*) provide for the transfer of any business, whether or not the transferor otherwise has the capacity to effect the transfer in question;

(*b*) make provision in relation to any property which is held by the transferor as trustee; and

(*c*) make provision as to any future or contingent right or liability of the transferor, including provision as to the construction of any instrument under which any such right or liability may arise.

(9) Subject to subsection (10), where an order made under subsection (7) provides for the transfer to the transferee of the whole or any part of the transferor's business, then by virtue of the order the business (or part of the business) of the transferor specified in the order is transferred to and vests in the transferee, free in the case of any particular property (if the order so directs) from any charge which by virtue of the transfer is to cease to have effect.

(10) No order under subsection (7) has any effect or operation in transferring or otherwise vesting land in Singapore until the appropriate entries are made with respect to the transfer or vesting of that land by the appropriate authority.

(11) If any business specified in an order under subsection (7) is governed by the law of any foreign country or territory, the Court may order the transferor to take all necessary steps for securing that the transfer of the business to the transferee is fully effective under the law of that country or territory.

(12) Where an order is made under this section, the transferor and the transferee must each lodge within 7 days after the order is made —

(*a*) a copy of the order with the Registrar of Companies and with the Authority; and

(*b*) where the order relates to land in Singapore, an office copy of the order with the appropriate authority

concerned with the registration or recording of dealings in that land.

(13) A transferor or transferee which contravenes subsection (12), and every officer of the transferor or transferee (as the case may be) who fails to take all reasonable steps to secure compliance by the transferor or transferee (as the case may be) with that subsection, shall each be guilty of an offence and shall each be liable on conviction to a fine not exceeding $2,000 and, in the case of a continuing offence, to a further fine not exceeding $200 for every day or part of a day during which the offence continues after conviction.".

Amendment of section 46B

9. Section 46B of the principal Act is amended by deleting the words "securities, futures contracts or derivatives contracts" in the definition of "trade repository" and substituting the words "capital markets products".

Amendment of section 46K

10. Section 46K(1) of the principal Act is amended by deleting paragraphs (*b*) and (*c*) and substituting the following paragraphs:

"(*b*) the carrying on by the licensed trade repository of any business (called in this section a proscribed business) other than such business or such class of businesses prescribed by regulations made under section 46ZJ;

(*c*) the acquisition by the licensed trade repository of a substantial shareholding in any corporation (called in this section a proscribed corporation) that carries on any business other than such business or such class of businesses prescribed by regulations made under section 46ZJ;".

Amendment of section 46Y

11. Section 46Y(3) of the principal Act is amended by deleting the word "securities" wherever it appears and substituting in each case the words "financial instrument".

Amendment of section 46ZIC

12. Section 46ZIC of the principal Act is amended by deleting subsection (11).

Amendment of section 46ZL

13. Section 46ZL of the principal Act is amended by inserting, immediately after subsection (2), the following subsections:

"(2A) The Authority may, at any time, by notice in writing, add to, vary or revoke the conditions or restrictions mentioned in subsection (2).

(2B) A licensed trade repository or licensed foreign trade repository, or any class of licensed trade repositories or class of licensed foreign trade repositories, that is exempted under subsection (1) must satisfy every condition or restriction imposed on it under that subsection.

(2C) A licensed trade repository or licensed foreign trade repository, or any class of licensed trade repositories or class of licensed foreign trade repositories, that is exempted under subsection (2) must, for the duration of the exemption, satisfy every condition or restriction imposed on it under that subsection and subsection (2A).".

Amendment of section 48

14. Section 48 of the principal Act is amended by deleting paragraphs (*c*) and (*d*) of the definition of "property" and substituting the following paragraphs:

"(*c*) any unit in a collective investment scheme;

(*d*) any derivatives contract; or

(*e*) any other asset of value acceptable to an approved clearing house or a recognised clearing house;".

Amendment of section 56

15. Section 56(1) of the principal Act is amended by deleting the word "after" in paragraph (*b*) and substituting the words "starting on".

Amendment of section 58

16. Section 58 of the principal Act is amended —

(*a*) by deleting paragraphs (*b*) and (*c*) of subsection (1) and substituting the following paragraphs:

"(*b*) the carrying on of any business (called in this section a proscribed business) by the approved clearing house other than such business or such class of businesses prescribed by regulations made under section 81Q;

(*c*) the acquisition by the approved clearing house of a substantial shareholding in any corporation (called in this section a proscribed corporation) that carries on any business other than such business or such class of businesses prescribed by regulations made under section 81Q;"; and

(*b*) by deleting the word "recognised" in subsection (5) and substituting the word "approved".

Repeal and re-enactment of section 59

17. Section 59 of the principal Act is repealed and the following section substituted therefor:

"**Obligation to manage risks prudently, etc.**

59. Without prejudice to the generality of section 57(1)(*b*), an approved clearing house must ensure that the systems and controls concerning the assessment and management of risks of the clearing facility that the approved clearing house operates are adequate and appropriate for the scale and nature of its operations.".

Amendment of section 65

18. Section 65 of the principal Act is amended by deleting "59(1)," and substituting "59,".

Repeal and re-enactment of section 67

19. Section 67 of the principal Act is repealed and the following section substituted therefor:

"**Business rules of approved clearing houses have effect as contract**

67.—(1) The business rules of an approved clearing house are treated as, and are to operate as, a binding contract —

(*a*) between the approved clearing house and each issuer;

(*b*) between the approved clearing house and each participant;

(*c*) between each issuer and each participant; and

(*d*) between each participant and every other participant.

(2) The approved clearing house, each issuer and each participant are treated as having agreed to observe, and to perform the obligations under, the provisions of the business rules that are in force for the time being, so far as those provisions are applicable to the approved clearing house, issuer or participant, as the case may be.

(3) In this section, "issuer" means a person who issued or made available, or proposes to issue or make available, securities, securities-based derivatives contracts, or units in a collective investment scheme that are cleared or settled by the approved clearing house.".

Amendment of section 71

20. Section 71(14) of the principal Act is amended by deleting the words "Subject to subsections (11) and (12), any" and substituting the word "Any".

Amendment of section 72

21. Section 72 of the principal Act is amended —

(*a*) by deleting subsections (1), (2) and (3) and substituting the following subsections:

"(1) The securities or securities-based derivatives contracts of an approved clearing house must not be listed for quotation on an organised market that is operated by any of its related corporations, unless the approved clearing house and the operator of the organised market have entered into such arrangements as the Authority may require —

(*a*) for dealing with possible conflicts of interest that may arise from such listing; and

(*b*) for the purpose of ensuring the integrity of the trading of the securities or securities-based derivatives contracts (as the case may be) of the approved clearing house.

(2) Where the securities or securities-based derivatives contracts of an approved clearing house are listed for quotation on an organised market operated by any of its related corporations, the Authority may act in place of the operator of the organised market in making decisions and taking action, or require the operator of the organised market to make decisions and to take action on behalf of the Authority, on —

(*a*) the admission of the approved clearing house to, or the removal of the approved clearing house from, the official list of the organised market; and

(*b*) the granting of approval for the securities or securities-based derivatives contracts (as the case may be) of the approved clearing house to be, or the stopping or suspending of the securities or securities-based derivatives contracts (as the case may be) of the approved clearing house from being,

listed for quotation or quoted on the organised market.

(3) The Authority may, by notice in writing to the operator of the organised market —

(*a*) modify the listing rules of the organised market for the purpose of their application to the listing for quotation or trading of the securities or securities-based derivatives contracts of the approved clearing house; or

(*b*) waive the application of any listing rule of the organised market to the approved clearing house.”; and

(*b*) by deleting the words “securities market” in the section heading and substituting the words “organised market”.

Amendment of section 81I

22. Section 81I of the principal Act is amended —

(*a*) by inserting, immediately after the word “securities” wherever it appears in subsection (1), the words “, securities-based derivatives contracts or units in a collective investment scheme”; and

(*b*) by inserting, immediately after the word “securities” in paragraph (*a*) of the definition of “specified gain” in subsection (4), the words “, securities-based derivatives contracts or units in a collective investment scheme”.

Amendment of section 81Q

23. Section 81Q(1) of the principal Act is amended by deleting paragraph (*c*) and substituting the following paragraph:

“(*c*) for the purposes of section 59 and, in particular, specifying measures to manage any risks assumed by an approved clearing house.”.

Amendment of section 81S

24. Section 81S(4) of the principal Act is amended by deleting the word "securities" wherever it appears and substituting in each case the words "financial instrument".

Amendment of section 81SAB

25. Section 81SAB of the principal Act is amended —

(*a*) by deleting "$15,000" where it first appears in subsection (10) and substituting "$150,000"; and

(*b*) by deleting subsection (11).

Amendment of section 81SB

26. Section 81SB of the principal Act is amended by inserting, immediately after subsection (2), the following subsections:

"(2A) The Authority may, at any time, by notice in writing, add to, vary or revoke the conditions or restrictions mentioned in subsection (2).

(2B) An approved clearing house or a recognised clearing house, or any class of approved clearing houses or class of recognised clearing houses, that is exempted under subsection (1) must satisfy every condition or restriction imposed on it under that subsection.

(2C) An approved clearing house or a recognised clearing house, or any class of approved clearing houses or class of recognised clearing houses, that is exempted under subsection (2) must, for the duration of the exemption, satisfy every condition or restriction imposed on it under that subsection and subsection (2A).".

Amendment of section 81SS

27. Section 81SS of the principal Act is amended —

(*a*) by inserting, immediately after the words "except that" in subsection (6), the words ", where the instrument of assignment or charge specifies the number of book-entry securities to which the assignment or charge relates,";

(*b*) by deleting paragraph (*b*) of subsection (10) and substituting the following paragraph:

"(*b*) transferred by the chargor, by way of sale or otherwise, except —

(i) upon the production of a duly executed discharge of charge in the prescribed form; or

(ii) upon the return of such book-entry securities to the chargor's control with the approval in writing of the chargee."; and

(*c*) by inserting, immediately after subsection (10), the following subsection:

"(10A) A charge on book-entry securities made in accordance with the provisions of this section is treated as discharged if such book-entry securities have been returned to the chargor's control with the approval in writing of the chargee.".

Amendment of section 81ST

28. Section 81ST of the principal Act is amended —

(*a*) by deleting the words "a securities exchange" in subsections (1) and (2) and substituting in each case the words "an approved exchange"; and

(*b*) by deleting the words "securities exchange" in the section heading and substituting the words "approved exchange".

Amendment of section 81ZA

29. Section 81ZA(1) of the principal Act is amended by deleting paragraphs (*b*) and (*c*) and substituting the following paragraphs:

"(*b*) the carrying on of any activity by the approved holding company other than such activity or such class of activities prescribed by regulations made under section 81ZK;

(*c*) the acquisition by the approved holding company of a substantial shareholding in a corporation, which carries on any activity other than such activity or such class of activities prescribed by regulations made under section 81ZK;".

Amendment of section 81ZG

30. Section 81ZG of the principal Act is amended —

(*a*) by deleting subsections (1), (2) and (3) and substituting the following subsections:

"(1) The securities or securities-based derivatives contracts of an approved holding company must not be listed for quotation on an organised market that is operated by any of its related corporations, unless the approved holding company and the operator of the organised market have entered into such arrangements as the Authority may require —

(*a*) for dealing with possible conflicts of interest that may arise from such listing; and

(*b*) for the purpose of ensuring the integrity of the trading of the securities or securities-based derivatives contracts (as the case may be) of the approved holding company.

(2) Where the securities or securities-based derivatives contracts of an approved holding company are listed for quotation on an organised market operated by any of its related corporations, the Authority may act in place of the operator of the organised market in making decisions and taking action, or require the operator of the organised market to make decisions and to take action on behalf of the Authority, on —

(*a*) the admission of the approved holding company to, or the removal of the approved holding company from, the official list of the organised market; and

(*b*) the granting of approval for the securities or securities-based derivatives contracts (as the case may be) of the approved holding company to be, or the stopping or suspending of the securities or securities-based derivatives contracts (as the case may be) of the approved holding company from being, listed for quotation or quoted on the organised market.

(3) The Authority may, by notice in writing to the operator of the organised market —

(*a*) modify the listing rules of the organised market for the purpose of their application to the listing of the securities or securities-based derivatives contracts of the approved holding company for quotation or trading; or

(*b*) waive the application of any listing rule of the organised market to the approved holding company.”; and

(*b*) by deleting the words “securities market” in the section heading and substituting the words “organised market”.

Amendment of section 81ZGD

31. Section 81ZGD of the principal Act is amended by deleting subsection (11).

Amendment of section 81ZI

32. Section 81ZI of the principal Act is amended —

(*a*) by deleting the words "licensed trade repository or licensed foreign trade repository" in subsection (2) and substituting the words "approved holding company"; and

(*b*) by inserting, immediately after subsection (2), the following subsections:

"(2A) The Authority may, at any time, by notice in writing, add to, vary or revoke the conditions or restrictions mentioned in subsection (2).

(2B) An approved holding company, or any class of approved holding companies, that is exempted under subsection (1) must satisfy every condition or restriction imposed on it under that subsection.

(2C) An approved holding company, or any class of approved holding companies, that is exempted under subsection (2) must, for the duration of the exemption, satisfy every condition or restriction imposed on it under that subsection and subsection (2A).".

Amendment of section 84

33. Section 84(1) of the principal Act is amended by deleting the word "prescribe" and substituting the word "specify".

Amendment of section 86

34. Section 86(3) of the principal Act is amended by deleting the words "a securities exchange, futures exchange" and substituting the words "an approved exchange".

Amendment of section 88

35. Section 88 of the principal Act is amended by inserting, immediately after subsection (1), the following subsection:

"(1A) Without prejudice to the generality of subsection (1), where the Authority grants a capital markets services licence to carry on a business of dealing in capital markets products, the

Authority may impose conditions or restrictions under subsection (1) restricting the holder of the capital markets services licence to one or more types of capital markets products in respect of which the holder may carry on a business of dealing in capital markets products.".

Amendment of section 91

36. Section 91(1) of the principal Act is amended by deleting the words "in cash or in such other form as the Authority may prescribe in respect of that licence" and substituting the words "as the Authority may prescribe by regulations made under section 100 in respect of that licence and in such form as the Authority may specify".

Amendment of section 94

37. Section 94(1) of the principal Act is amended by inserting, immediately after the word "activities" in paragraph (*c*), the words "and the type or types of capital markets products".

Amendment of section 97

38. Section 97(1) of the principal Act is amended by inserting, immediately after the words "section 101A" in paragraph (v), the words "or 123ZZC".

Amendment of section 97A

39. Section 97A(5) of the principal Act is amended by deleting the words "memorandum or articles of association" and substituting the word "constitution".

Amendment of section 97F

40. Section 97F of the principal Act is amended by deleting subsection (11).

Amendment of section 99

41. Section 99(1) of the principal Act is amended —

(*a*) by deleting the words "securities exchange, futures exchange," in paragraph (*f*) and substituting the words "approved exchange,"; and

(*b*) by deleting the words "a securities market or futures market" in paragraph (*f*) and substituting the words "an organised market".

Amendment of section 99C

42. Section 99C(1) of the principal Act is amended by deleting paragraph (*c*) and substituting the following paragraph:

"(*c*) the current and past types of regulated activities performed by him, the types of capital markets products in respect of which he performed each regulated activity and the date of commencement and cessation (if any) of his performance of such activities;".

Amendment of section 101

43. Section 101(2) of the principal Act is amended by inserting, immediately after the word "of" in paragraph (*a*), the words "and in respect of the risk management of".

Amendment of section 108

44. Section 108 of the principal Act is amended by deleting paragraph (ii) and substituting the following paragraph:

"(ii) where the holder is a member of an approved exchange, a copy of the report to the approved exchange.".

Amendment of section 110

45. Section 110(1) of the principal Act is amended by deleting the words "securities exchange, futures exchange," in paragraph (*c*) and substituting the words "approved exchange,".

Amendment of section 114

46. Section 114 of the principal Act is amended by deleting the words "securities exchange, futures exchange," and substituting the words "approved exchange,".

Amendment of section 123

47. Section 123(2) of the principal Act is amended —

(*a*) by deleting the words "securities financing" in paragraph (*a*) and substituting the words "product financing";

(*b*) by deleting the word "securities" in paragraph (*ia*) and substituting the words "capital markets products"; and

(*c*) by deleting the words "securities or futures contracts" in paragraph (*m*) and substituting the words "capital markets products".

New Part VIAA

48. The principal Act is amended by inserting, immediately after section 123, the following Part:

"PART VIAA

FINANCIAL BENCHMARKS

Objectives of this Part

123A. The objectives of this Part are —

(*a*) to promote fair and transparent determination of financial benchmarks; and

(*b*) to reduce systemic risks.

Division 1 — Designation of Financial Benchmarks

Power of Authority to designate financial benchmarks

123B. The Authority may, by order in the *Gazette*, designate a financial benchmark as a designated benchmark for the purposes of this Part if the Authority is satisfied that —

(*a*) the financial benchmark has systemic importance in the financial system of Singapore;

(*b*) a disruption in the determination of the financial benchmark could affect public confidence in the financial benchmark or the financial system of Singapore;

(*c*) the determination of the financial benchmark could be susceptible to manipulation; or

(*d*) it is otherwise in the interests of the public to do so.

Withdrawal of designation of financial benchmark

123C. The Authority may, by order in the *Gazette*, withdraw the designation of any designated benchmark if the Authority is of the opinion that the considerations in section 123B are no longer valid or satisfied.

Division 2 — Benchmark Administrators of Designated Benchmarks

Subdivision (1) — Authorised benchmark administrator

Requirement for authorisation

123D.—(1) No person may carry on, or hold himself out as carrying on, a business of administering a designated benchmark, unless the person is an authorised benchmark administrator.

(2) No person may hold himself out as an authorised benchmark administrator, unless he is an authorised benchmark administrator.

(3) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $250,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding $25,000 for every day or part of a day during which the offence continues after conviction.

(4) Any person who contravenes subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not

exceeding $20,000 and, in the case of a continuing offence, to a further fine not exceeding $2,000 for every day or part of a day during which the offence continues after conviction.

Application for authorisation

123E.—(1) A corporation may apply to the Authority to be authorised as an authorised benchmark administrator.

(2) An application made under subsection (1) must be —

(*a*) made in such form and manner as may be specified by the Authority; and

(*b*) accompanied by a non-refundable application fee of an amount prescribed by regulations made under section 123ZZA, which must be paid in the manner specified by the Authority.

(3) The Authority may require an applicant to furnish it with such information or documents as the Authority considers necessary in relation to the application.

Power of Authority to authorise benchmark administrators

123F.—(1) Where a corporation mentioned in section 123E(1) makes an application under that provision, the Authority may authorise the corporation as an authorised benchmark administrator.

(2) The Authority may authorise a corporation as an authorised benchmark administrator under subsection (1) subject to such conditions or restrictions as the Authority may impose by notice in writing, including conditions or restrictions, either of a general or specific nature, relating to —

(*a*) the process for the determination of the designated benchmark; or

(*b*) any other activities that the corporation may undertake.

(3) The Authority may, at any time, by notice in writing to the authorised benchmark administrator, vary any condition or restriction or impose any further condition or restriction.

(4) An authorised benchmark administrator must, for the duration of the authorisation, satisfy every condition or restriction that may be imposed on it under subsections (2) and (3).

(5) The Authority must not authorise a corporation as an authorised benchmark administrator, unless the corporation meets such requirements as the Authority may prescribe by regulations made under section 123ZZA, either generally or specifically.

(6) The Authority may refuse to authorise a corporation as an authorised benchmark administrator, if —

(*a*) the corporation has not provided the Authority with such information, as the Authority may require, relating to —

(i) the corporation or any person employed by or associated with the corporation for the purposes of the corporation's business or operations; and

(ii) any circumstances likely to affect the corporation's manner of conducting business or operations;

(*b*) any information or document provided by the corporation to the Authority is false or misleading;

(*c*) the corporation or a substantial shareholder of the corporation is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

(*d*) execution against the corporation or a substantial shareholder of the corporation in respect of a judgment debt has been returned unsatisfied in whole or in part;

(*e*) a receiver, a receiver and manager, judicial manager or a person in an equivalent capacity has been appointed,

whether in Singapore or elsewhere, in relation to, or in respect of, any property of the corporation or a substantial shareholder of the corporation;

(*f*) the corporation or a substantial shareholder of the corporation has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with the creditors of the corporation or substantial shareholder, as the case may be, being a compromise or scheme of arrangement that is still in operation;

(*g*) the corporation, a substantial shareholder of the corporation or any officer of the corporation —

(i) has been convicted, whether in Singapore or elsewhere, of an offence committed before, on or after the date of commencement of section 48 of the Securities and Futures (Amendment) Act 2017, involving fraud or dishonesty or the conviction for which involved a finding that the corporation, shareholder or officer, as the case may be, had acted fraudulently or dishonestly; or

(ii) has been convicted of an offence under this Act committed before, on or after the date of commencement of section 48 of the Securities and Futures (Amendment) Act 2017;

(*h*) the Authority is not satisfied as to the educational or other qualifications or experience of the officers or employees of the corporation, having regard to the nature of the duties they are to perform in connection with the activity of administering a designated benchmark;

(*i*) the corporation fails to satisfy the Authority that the corporation is a fit and proper person or that all of its officers, employees and substantial shareholders are fit and proper persons;

(*j*) the Authority has reason to believe that the corporation may not be able to act in the best interests of a class, or the classes, of users of the designated benchmark, having regard to the reputation, character, financial integrity and reliability of the corporation or its officers, employees or substantial shareholders;

(*k*) the Authority is not satisfied as to —

(i) the financial standing of the corporation or any of its substantial shareholders; or

(ii) the manner in which the business of the corporation is to be conducted, or the operations of the corporation are to be conducted, in relation to administering a designated benchmark;

(*l*) the Authority is not satisfied as to the record of past performance or expertise of the corporation, having regard to the nature of the business or operations which the corporation may carry on or conduct in connection with administering a designated benchmark;

(*m*) there are other circumstances which are likely to —

(i) lead to improper conduct of business or operations by the corporation or any of its officers, employees or substantial shareholders; or

(ii) reflect discredit on the manner of conducting the business or operations of the corporation or any of its substantial shareholders;

(*n*) the Authority has reason to believe that the corporation, or any of its officers or employees, will not perform the activity of administering a designated benchmark, efficiently, honestly or fairly;

(*o*) the Authority is of the opinion that it would be contrary to the interests of the public to authorise the corporation as an authorised benchmark administrator; or

(*p*) a prohibition order under section 123ZZC has been made by the Authority, and remains in force, against the corporation.

(7) Subject to subsection (8), the Authority must not refuse to authorise a corporation as an authorised benchmark administrator under subsection (6) without giving the corporation an opportunity to be heard.

(8) The Authority may refuse to authorise a corporation as an authorised benchmark administrator on any of the following grounds without giving the corporation an opportunity to be heard:

(*a*) the corporation is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

(*b*) a receiver, a receiver and manager or a person in an equivalent capacity has been appointed, whether in Singapore or elsewhere, in relation to, or in respect of, any property of the corporation;

(*c*) the corporation has been convicted, whether in Singapore or elsewhere, of an offence committed before, on or after the date of commencement of section 48 of the Securities and Futures (Amendment) Act 2017, involving fraud or dishonesty or the conviction for which involved a finding that the corporation had acted fraudulently or dishonestly;

(*d*) a prohibition order under section 123ZZC has been made by the Authority, and remains in force, against the corporation.

(9) The Authority must give notice in the *Gazette* of any authorisation under subsection (1).

(10) Any corporation that is aggrieved by a refusal of the Authority to grant an authorisation under subsection (1) may, within 30 days after the corporation is notified of the refusal, appeal to the Minister, whose decision is final.

(11) Any authorised benchmark administrator who contravenes subsection (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

Deposit to be lodged by corporation or authorised benchmark administrator

123G.—(1) The Authority may require the corporation mentioned in section 123E(1) that has made an application under that provision to lodge with the Authority, at the time of its application and in such manner as the Authority may determine, a deposit of such amount as the Authority may prescribe by regulations made under section 123ZZA in respect of that authorisation and in such form as the Authority may specify.

(2) The Authority may prescribe by regulations made under section 123ZZA the circumstances and purposes for the use of the deposit.

False statements in relation to application for authorisation

123H. Any person who, in connection with an application for authorisation as an authorised benchmark administrator —

(*a*) without reasonable excuse, makes a statement which is false or misleading in a material particular; or

(*b*) without reasonable excuse, omits to state any matter or thing without which the application is misleading in a material respect,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000.

Annual fees payable by authorised benchmark administrator

123I.—(1) Every authorised benchmark administrator must pay to the Authority such annual fee as may be prescribed by regulations made under section 123ZZA, in such manner as may be specified by the Authority.

(2) Subject to subsection (3), the Authority may, where it considers appropriate, refund or remit the whole or part of any annual fee paid to it.

(3) The Authority need not refund any annual fee paid if —

(*a*) the authorisation is revoked, suspended or withdrawn during the period to which the annual fee relates;

(*b*) the authorised benchmark administrator ceases to carry on a business of administering a designated benchmark during the period to which the annual fee relates; or

(*c*) a prohibition order has been made against the authorised benchmark administrator under section 123ZZC.

(4) Where an authorised benchmark administrator fails to pay the annual fee by the date on which such fee is due, the Authority may impose a late payment fee of an amount prescribed by regulations made under section 123ZZA for every day or part of a day that the payment is late and both fees are recoverable by the Authority as a judgment debt.

Revocation, suspension or withdrawal of authorisation

123J.—(1) The Authority may revoke the authorisation of a corporation as an authorised benchmark administrator under section 123F(1) if —

(*a*) there exists a ground on which the Authority must refuse an application under section 123F(5) or may refuse an application under section 123F(6);

(*b*) the corporation does not commence carrying out the activity of administering a designated benchmark within 12 months starting on the date on which it was granted the authorisation under section 123F(1);

(*c*) the corporation ceases to carry on a business of administering a designated benchmark in respect of a particular designated benchmark, or where it administers more than one designated benchmark, in respect of all of its designated benchmarks;

(*d*) where the corporation carries on a business of administering a designated benchmark only in respect of one designated benchmark, the Authority has withdrawn the designation of that designated benchmark under section 123C;

(*e*) the Authority has reason to believe that the corporation has not acted in the best interests of the users of the designated benchmark or any class of users of the designated benchmark;

(*f*) the Authority has reason to believe that the corporation, or any of its officers or employees, has not performed its or their duties efficiently, honestly or fairly;

(*g*) the corporation has contravened any condition or restriction applicable in respect of its authorisation, any written direction issued to it by the Authority under this Act, or any provision of this Act;

(*h*) it appears to the Authority that the corporation has failed to satisfy any of its obligations in compliance with, under or arising from —

(i) this Act; or

(ii) any written direction issued by the Authority under this Act;

(*i*) the Authority has reason to believe that the corporation is carrying out the activity of

administering a designated benchmark in a manner that is contrary to the interests of the public;

(*j*) the corporation has furnished any information or document to the Authority that is false or misleading;

(*k*) the corporation fails to pay the annual fee mentioned in section 123I in the manner specified by the Authority; or

(*l*) a prohibition order under section 123ZZC has been made by the Authority, and remains in force, against the corporation.

(2) The Authority may —

(*a*) suspend the authorisation granted to an authorised benchmark administrator for a specific period instead of revoking it under subsection (1); and

(*b*) at any time extend or revoke the suspension.

(3) Subject to subsection (4), the Authority may, upon an application in writing made to it by an authorised benchmark administrator, in such form and manner as may be specified by the Authority, withdraw the authorisation of the authorised benchmark administrator.

(4) The Authority may refuse to withdraw the authorisation of an authorised benchmark administrator under subsection (3) where the Authority is of the opinion that —

(*a*) there is any matter concerning the corporation which should be investigated before the authorisation is withdrawn; or

(*b*) the withdrawal of the authorisation would not be in the public interest.

(5) Subject to subsection (6), the Authority must not —

(*a*) revoke the authorisation granted to an authorised benchmark administrator under subsection (1);

(*b*) suspend the authorisation granted to an authorised benchmark administrator under subsection (2); or

(*c*) refuse the withdrawal of the authorisation granted to an authorised benchmark administrator under subsection (4),

without giving the authorised benchmark administrator an opportunity to be heard.

(6) The Authority may revoke or suspend the authorisation of a corporation as an authorised benchmark administrator without giving the corporation an opportunity to be heard on any of the following grounds:

(*a*) the corporation is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

(*b*) a receiver, a receiver and manager or a person in an equivalent capacity has been appointed, whether in Singapore or elsewhere, in relation to, or in respect of, any property of the corporation;

(*c*) the corporation has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty or the conviction for which involved a finding that the corporation had acted fraudulently or dishonestly;

(*d*) where the corporation carries on a business of administering a designated benchmark only in respect of one designated benchmark, the Authority has withdrawn the designation of that designated benchmark under section 123C;

(*e*) a prohibition order under section 123ZZC has been made by the Authority, and remains in force, against the corporation.

(7) Any corporation that is aggrieved by a decision of the Authority made in relation to the corporation under subsection (1), (2) or (4) may, within 30 days after the corporation is notified of the decision, appeal to the Minister, whose decision is final.

(8) Despite the lodging of an appeal under subsection (7), any action taken by the Authority under this section continues to have effect pending the decision of the Minister.

(9) The Minister may, when deciding an appeal under subsection (7), make such modification as he considers necessary to any action taken by the Authority under this section, and such modified action has effect starting on the date of the decision of the Minister.

(10) Any revocation, suspension or withdrawal of the authorisation of a corporation as an authorised benchmark administrator does not operate so as to —

(*a*) avoid or affect any agreement, transaction or arrangement entered into by the corporation, whether the agreement, transaction or arrangement was entered into before, on or after the revocation, suspension or withdrawal of the authorisation; or

(*b*) affect any right, obligation or liability arising under any such agreement, transaction or arrangement.

(11) The Authority must give notice in the *Gazette* of any revocation of authorisation under subsection (1), suspension of authorisation under subsection (2)(*a*), extension or revocation of suspension of authorisation under subsection (2)(*b*) or withdrawal of authorisation under subsection (3).

Subdivision (2) — Exempt benchmark administrator

Power of Authority to exempt corporations from authorisation

123K.—(1) The Authority may —

(*a*) despite section 337(1), by regulations made under section 123ZZA exempt any corporation or class of corporations; or

(*b*) on the application of any corporation, by notice in writing, exempt the corporation,

from the requirement under section 123D(1) to be an authorised benchmark administrator.

(2) The Authority may require a corporation to furnish it with such information or documents as the Authority considers necessary in relation to an application made under subsection (1)(*b*).

(3) The Authority may by regulations, or by notice in writing, impose any conditions or restrictions on an exempt benchmark administrator in relation to its carrying out the activity of administering a designated benchmark or any related matter, including conditions or restrictions relating to —

(*a*) the process for the determination of the designated benchmark; or

(*b*) any other activities that the corporation may undertake.

(4) The Authority may, at any time, by notice in writing to an exempt benchmark administrator under subsection (1)(*b*), vary any condition or restriction mentioned in subsection (3) or impose any further condition or restriction relating to the exemption.

(5) The Authority must give notice in the *Gazette* of any exemption under subsection (1)(*b*).

(6) An exempt benchmark administrator must comply with such conditions or restrictions imposed on it under subsection (3) or (4).

(7) Any exempt benchmark administrator who contravenes any condition or restriction imposed under subsection (3) or (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

False statements in relation to application for exemption

123L. Any person who, in connection with an application for exemption under section 123K(1)(*b*) —

(*a*) without reasonable excuse, makes a statement which is false or misleading in a material particular; or

(*b*) without reasonable excuse, omits to state any matter or thing without which the application is misleading in a material respect,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000.

Annual fees payable by exempt benchmark administrator

123M.—(1) Every exempt benchmark administrator must pay to the Authority such annual fee as may be prescribed by regulations made under section 123ZZA, in such manner as may be specified by the Authority.

(2) Subject to subsection (3), the Authority may, where it considers appropriate, refund or remit the whole or part of any annual fee paid to it.

(3) The Authority need not refund any annual fee paid if —

(*a*) the exemption is revoked during the period in which the annual fee relates;

(*b*) the exempt benchmark administrator ceases to carry on a business of administering a designated benchmark during the period to which the annual fee relates; or

(*c*) a prohibition order has been made against the exempt benchmark administrator under section 123ZZC.

(4) Where an exempt benchmark administrator fails to pay the annual fee by the date on which such fee is due, the Authority may impose a late payment fee of an amount prescribed by regulations made under section 123ZZA for every day or part of a day that the payment is late and both fees are recoverable by the Authority as a judgment debt.

Power to revoke exemption

123N.—(1) The Authority may revoke any exemption granted to a corporation under section 123K(1) if —

(*a*) the corporation does not commence carrying on a business of administering a designated benchmark in respect of a particular designated benchmark or, where it administers more than one designated benchmark, all of its designated benchmarks, within 12 months starting on the date on which it was granted the exemption;

(*b*) the corporation ceases to carry on a business of administering a designated benchmark or, where it administers more than one designated benchmark, all of its designated benchmarks;

(*c*) where the corporation carries on a business of administering a designated benchmark only in respect of one designated benchmark, the Authority has withdrawn the designation of that designated benchmark under section 123C;

(*d*) the corporation contravenes any condition or restriction relating to the exemption, any direction issued to it by the Authority under this Act, or any provision of this Act;

(*e*) the Authority is of the opinion that the corporation has carried out the activity of administering a designated benchmark in a manner that is contrary to the interests of a class, or classes, of users of a designated benchmark, or the interests of the public;

(*f*) the corporation is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

(*g*) a receiver, a receiver and manager or a person in an equivalent capacity has been appointed, whether in Singapore or elsewhere, in relation to, or in respect of, any property of the corporation;

(*h*) the corporation has been convicted, whether in Singapore or elsewhere, of an offence, involving fraud or dishonesty, or the conviction for which involved a finding that the corporation had acted fraudulently or dishonestly;

(*i*) the corporation has furnished any information or document to the Authority that is false or misleading;

(*j*) the corporation fails to pay the annual fee mentioned in section 123M; or

(*k*) a prohibition order under section 123ZZC has been made by the Authority, and remains in force, against the corporation.

(2) Subject to subsection (3), the Authority must not revoke any exemption granted to a corporation under subsection (1) without giving the corporation an opportunity to be heard.

(3) The Authority may revoke an exemption granted to a corporation on any of the following grounds without giving the corporation an opportunity to be heard:

(*a*) the corporation is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

(*b*) a receiver, a receiver and manager or a person in an equivalent capacity has been appointed, whether in Singapore or elsewhere, in relation to, or in respect, of any property of the corporation;

(*c*) the corporation has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty or the conviction for which involved a finding that the corporation had acted fraudulently or dishonestly;

(*d*) where the corporation carries on a business of administering a designated benchmark only in respect of one designated benchmark, the Authority

has withdrawn the designation of that designated benchmark under section 123C;

(*e*) a prohibition order under section 123ZZC has been made by the Authority, and remains in force, against the corporation.

(4) Any corporation that is aggrieved by a decision of the Authority made in relation to the corporation under subsection (1) may, within 30 days after the corporation is notified of the decision, appeal to the Minister whose decision is final.

(5) Despite the lodging of an appeal under subsection (4), any action taken by the Authority under this section continues to have effect pending the decision of the Minister.

(6) The Minister may, when deciding an appeal under subsection (4), make such modification as he considers necessary to any action taken by the Authority under this section, and such modified action has effect starting on the date of the decision of the Minister.

(7) Any revocation of an exemption granted to any corporation does not operate so as to —

(*a*) avoid or affect any agreement, transaction or arrangement entered into by the corporation, whether the agreement, transaction or arrangement was entered into before, on or after the revocation of the exemption; or

(*b*) affect any right, obligation or liability arising under any such agreement, transaction or arrangement.

(8) The Authority must give notice in the *Gazette* of any revocation of an exemption mentioned in subsection (1).

Subdivision (3) — Code on designated benchmark

Code on designated benchmark

123O.—(1) For the effective administration and control of designated benchmarks, every authorised benchmark administrator and exempt benchmark administrator must —

(*a*) prepare and issue (in the manner specified by the Authority) a code in respect of each designated benchmark in respect of which it carries on a business of administering a designated benchmark (called in this Act a code on designated benchmark) that —

(i) sets out the standards to be maintained by every authorised benchmark submitter, exempt benchmark submitter and designated benchmark submitter, in relation to that designated benchmark; and

(ii) complies with subsection (2); and

(*b*) obtain the Authority's written approval for the code on designated benchmark before that code on designated benchmark is issued.

(2) A code on designated benchmark must deal with such matters as may be prescribed by regulations made under section 123ZZA or as may be specified by notice in writing to the authorised benchmark administrator or exempt benchmark administrator.

(3) Every authorised benchmark administrator and exempt benchmark administrator must not amend a code on designated benchmark unless the authorised benchmark administrator and exempt benchmark administrator (as the case may be) —

(*a*) complies with such requirements as may be prescribed by regulations made under section 123ZZA;

(*b*) complies with such conditions or restrictions which the Authority may by notice in writing impose; and

(*c*) obtains the Authority's written approval to do so.

(4) In this section, the reference to an amendment to a code on designated benchmark is to be construed as a reference to a change to any of the following:

(*a*) the scope of the code on designated benchmark;

(*b*) any requirement, obligation or restriction under the code on designated benchmark,

whether the change is made by an alteration to the text of the code on designated benchmark, or by any other notice issued by or on behalf of the authorised benchmark administrator or exempt benchmark administrator (as the case may be) modifying the meaning or interpretation of the code on designated benchmark.

(5) Every authorised benchmark administrator and exempt benchmark administrator must, in respect of each code on designated benchmark that it issues —

(*a*) ensure that the code on designated benchmark takes into account the practices and developments in the market; and

(*b*) enforce compliance with the code on designated benchmark.

(6) Every authorised benchmark submitter, exempt benchmark submitter and designated benchmark submitter must, in respect of its business or activity of providing information in relation to a designated benchmark, comply with the code on designated benchmark issued by the authorised benchmark administrator or exempt benchmark administrator, as the case may be.

(7) Without prejudice to section 123ZL, every authorised benchmark submitter, exempt benchmark submitter and designated benchmark submitter must have systems and controls in place to ensure compliance with each code on designated benchmark that it is required to comply with under subsection (6).

(8) Any authorised benchmark administrator or exempt benchmark administrator which contravenes subsection (1),

(2), (3) or (5) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

(9) Any authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter which contravenes subsection (7) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 and, in the case of a continuing offence, to a further fine not exceeding $5,000 for every day or part of a day during which the offence continues after conviction.

(10) Despite subsection (6), a failure of any authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter to comply with a code on designated benchmark does not of itself render that authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be, liable to criminal proceedings but any such failure may be relied upon by any party in any proceedings (whether civil or criminal) as tending to establish or negate any liability which is in question in those proceedings.

Subdivision (4) — Obligations of authorised benchmark administrators and exempt benchmark administrators

General obligations

123P.—(1) Every authorised benchmark administrator and exempt benchmark administrator must, for every designated benchmark in respect of which it carries on a business of administering a designated benchmark —

(*a*) manage any risks associated with its business and operations prudently;

(*b*) ensure that the systems and controls concerning its performing the activity of administering a designated

benchmark are adequate and appropriate for the scale and nature of its operations;

(*c*) have sufficient financial, human and system resources —

(i) to carry on a business of administering a designated benchmark; and

(ii) to meet contingencies or disasters;

(*d*) maintain governance arrangements that are adequate for the designated benchmark to be determined in a fair and efficient manner; and

(*e*) ensure that it appoints or employs fit and proper persons as its chairman, chief executive officer, directors and key management officers.

(2) In subsection (1)(*c*), "contingencies or disasters" includes technical disruptions occurring within automated systems.

Obligation to notify Authority of certain matters

123Q.—(1) Every authorised benchmark administrator and exempt benchmark administrator must, as soon as practicable after the occurrence of any of the following circumstances, notify the Authority of the circumstance:

(*a*) any material change to the information provided by the authorised benchmark administrator or the exempt benchmark administrator, in its application under section 123E(1) or 123K(1)(*b*) respectively;

(*b*) the carrying on of any business (called in this section a proscribed business) by the authorised benchmark administrator or exempt benchmark administrator, as the case may be, other than such business or such class of businesses as the Authority may prescribe by regulations made under section 123ZZA;

(*c*) the acquisition by the authorised benchmark administrator or exempt benchmark administrator, as the case may be, of a substantial shareholding in a

corporation (called in this section a proscribed corporation) that carries on any business other than such business or such class of businesses as the Authority may prescribe by regulations made under section 123ZZA;

(*d*) any failure of an authorised benchmark submitter, an exempt benchmark submitter or a designated benchmark submitter, as the case may be, to comply with the code on designated benchmark of the authorised benchmark administrator or exempt benchmark administrator;

(*e*) any other matter that the Authority may —

(i) prescribe by regulations made under section 123ZZA for the purposes of this paragraph; or

(ii) specify by notice in writing, to the authorised benchmark administrator or exempt benchmark administrator, as the case may be.

(2) Without prejudice to the generality of section 123ZZB(1), the Authority may, at any time after receiving a notification mentioned in subsection (1), issue directions to the authorised benchmark administrator or exempt benchmark administrator, as the case may be —

(*a*) where the notice relates to a matter mentioned in subsection (1)(*b*) —

(i) to cease carrying on the proscribed business; or

(ii) to carry on the proscribed business subject to such conditions or restrictions as the Authority may impose; or

(*b*) where the notice relates to a matter mentioned in subsection (1)(*c*) —

(i) to dispose all or any part of its shareholding in the proscribed corporation within such time and

subject to such conditions as specified in the directions; or

(ii) to exercise or not to exercise its rights relating to such shareholding subject to such conditions or restrictions as the Authority may impose, if the Authority is of the opinion that such exercise or non-exercise of rights is in the interests of a class, or classes, of users of a designated benchmark, or in the interests of the public or a section of the public.

(3) An authorised benchmark administrator or an exempt benchmark administrator must comply with every direction issued to it under subsection (2) despite anything to the contrary in the Companies Act (Cap. 50) or any other law.

(4) An authorised benchmark administrator or an exempt benchmark administrator must notify the Authority of any matter that the Authority may prescribe by regulations made under section 123ZZA for the purposes of this subsection, no later than such time as the Authority may prescribe by those regulations.

(5) An authorised benchmark administrator or an exempt benchmark administrator must notify the Authority of any matter that the Authority may specify by notice in writing to the authorised benchmark administrator or an exempt benchmark administrator, as the case may be, no later than such time as the Authority may specify in that notice.

Obligation to maintain proper records

123R.—(1) Every authorised benchmark administrator and exempt benchmark administrator must maintain a record of the following in respect of a designated benchmark administered by it:

(*a*) all information or expressions of opinion used for the purposes of determining the designated benchmark;

(*b*) the manner in which the formula or other methods of calculation is applied to the information or expressions of opinion mentioned in paragraph (*a*) in the determination of the designated benchmark;

(*c*) such other matters as the Authority may prescribe by regulations made under section 123ZZA.

(2) The record mentioned in subsection (1) must be kept for such period, and in such form and manner, as may be prescribed by regulations made under section 123ZZA.

Obligation to submit periodic reports

123S. Every authorised benchmark administrator and exempt benchmark administrator must submit to the Authority such reports in such form, manner and frequency as the Authority may prescribe by regulations made under section 123ZZA.

Notification of change of particulars

123T. Where —

(*a*) an authorised benchmark administrator or exempt benchmark administrator ceases to carry on a business of administering a designated benchmark; or

(*b*) a change occurs in any matter records of which are required by section 123U(1) to be kept in relation to the authorised benchmark administrator or exempt benchmark administrator,

the authorised benchmark administrator or exempt benchmark administrator, as the case may be, must, not later than 14 days after the occurrence of the event, furnish particulars of the event to the Authority in the form and manner prescribed by regulations made under section 123ZZA.

Records of authorised benchmark administrators and exempt benchmark administrators

123U.—(1) The Authority must keep records of every authorised benchmark administrator and exempt benchmark

administrator, setting out the following information of each authorised benchmark administrator and exempt benchmark administrator:

(*a*) the name of the authorised benchmark administrator or exempt benchmark administrator;

(*b*) the address of the principal place at which the authorised benchmark administrator or exempt benchmark administrator carries on a business of administering a designated benchmark;

(*c*) where the business is carried on under a name or style other than the name of the authorised benchmark administrator or exempt benchmark administrator, as the case may be, the name or style under which the business is carried on;

(*d*) such other information as may be prescribed by regulations made under section 123ZZA.

(2) The Authority may publish the information mentioned in subsection (1) or any part of that information in any form and manner.

Obligation to assist Authority

123V. Every authorised benchmark administrator and exempt benchmark administrator must provide such assistance to the Authority as the Authority may require for the performance of the functions and duties of the Authority, including —

(*a*) the furnishing of returns; and

(*b*) the provision of books and information —

(i) relating to the business of the authorised benchmark administrator or exempt benchmark administrator, as the case may be; or

(ii) in respect of a designated benchmark administered by it.

Penalties under this Subdivision

123W. Any authorised benchmark administrator or exempt benchmark administrator which contravenes section 123P, 123Q, 123R, 123S, 123T or 123V shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $200,000 and, in the case of a continuing offence, to a further fine not exceeding $20,000 for every day or part of a day during which the offence continues after conviction.

Subdivision (5) — Matters requiring approval of Authority

Approval of chief executive officer and director of authorised benchmark administrator

123X.—(1) Subject to subsection (3), an authorised benchmark administrator must not —

(*a*) appoint a person as its chief executive officer or director; or

(*b*) change the nature of the appointment of a person as a director from one that is non-executive to one that is executive,

unless the authorised benchmark administrator has obtained the approval of the Authority.

(2) Where an authorised benchmark administrator has obtained the approval of the Authority to appoint a person as its chief executive officer or director under subsection (1)(*a*), the person may be re-appointed as chief executive officer or director, as the case may be, of the authorised benchmark administrator immediately upon the expiry of the earlier term without the approval of the Authority.

(3) Subsection (1) does not apply to the appointment of a person as a director of a foreign company, or the change in the nature of the appointment of a person as a director of a foreign company if, at the time of the appointment or change, the person —

(*a*) does not reside in Singapore; and

(*b*) is not directly responsible for its carrying out the activity of administering a designated benchmark or any part of the activity of administering a designated benchmark.

(4) Without prejudice to any other matter that the Authority may consider relevant, the Authority may, in determining whether to grant its approval under subsection (1), have regard to such criteria as may be prescribed by regulations made under section 123ZZA or notified to the authorised benchmark administrator.

(5) Subject to subsection (6), the Authority must not refuse an application for approval under subsection (1) without giving the authorised benchmark administrator an opportunity to be heard.

(6) The Authority may refuse an application for approval under subsection (1) on any of the following grounds without giving the authorised benchmark administrator an opportunity to be heard:

(*a*) the person is an undischarged bankrupt, whether in Singapore or elsewhere;

(*b*) a prohibition order under section 123ZZC has been made by the Authority, and remains in force, against the person;

(*c*) the person has been convicted, whether in Singapore or elsewhere, of an offence —

(i) involving fraud or dishonesty or the conviction for which involved a finding that the person had acted fraudulently or dishonestly; and

(ii) punishable with imprisonment for a term of 3 months or more.

(7) Where the Authority refuses an application for approval under subsection (1), the Authority need not give the person who was proposed to be appointed an opportunity to be heard.

(8) Without prejudice to the Authority's power to impose conditions or restrictions under section 123F(2), the Authority

may, at any time by notice in writing to the authorised benchmark administrator, impose on it a condition requiring it to notify the Authority of a change to any specified attribute (such as residence and nature of appointment) of its chief executive officer or director, and vary any such condition.

(9) Any authorised benchmark administrator which contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $200,000 and, in the case of a continuing offence, to a further fine not exceeding $20,000 for every day or part of a day during which the offence continues after conviction.

(10) Any authorised benchmark administrator which contravenes any condition imposed under subsection (8) shall be guilty of an offence.

Removal of officer of authorised benchmark administrator

123Y.—(1) Despite the provisions of any other written law —

(*a*) an authorised benchmark administrator must not, without the prior written consent of the Authority, permit a person to act as its executive officer; and

(*b*) an authorised benchmark administrator that is incorporated in Singapore must not, without the prior written consent of the Authority, permit a person to act as its director,

if the person —

(i) has been convicted, whether in Singapore or elsewhere, of an offence committed before, on or after the date of commencement of section 48 of the Securities and Futures (Amendment) Act 2017, being an offence —

(A) involving fraud or dishonesty;

(B) the conviction for which involved a finding that he had acted fraudulently or dishonestly; or

(C) that is specified in the Third Schedule to the Registration of Criminals Act (Cap. 268);

(ii) is an undischarged bankrupt, whether in Singapore or elsewhere;

(iii) has had execution against him in respect of a judgment debt returned unsatisfied in whole or in part;

(iv) has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with his creditors, being a compromise or scheme of arrangement that is still in operation;

(v) has had a prohibition order under section 59 of the Financial Advisers Act (Cap. 110), section 35V of the Insurance Act (Cap. 142), or section 101A or 123ZZC made against him that remains in force; or

(vi) has been a director of, or directly concerned in the management of, a regulated financial institution, whether in Singapore or elsewhere —

(A) which is being or has been wound up by a court; or

(B) the approval, authorisation, designation, recognition, registration or licence of which has been withdrawn, cancelled or revoked by the Authority or, in the case of a regulated financial institution in a foreign country or territory, by the regulatory authority in that foreign country or territory.

(2) Despite the provisions of any other written law, where the Authority is satisfied that a director of an authorised benchmark administrator that is incorporated in Singapore, or an executive officer of an authorised benchmark administrator —

(*a*) has wilfully contravened or wilfully caused the authorised benchmark administrator to contravene any provision of this Act;

(*b*) has, without reasonable excuse, failed to secure the compliance of the authorised benchmark administrator with this Act, the Monetary Authority of Singapore Act (Cap. 186) or any of the written laws set out in the Schedule to that Act; or

(*c*) has failed to discharge any of the duties of his office,

the Authority may, if it thinks it necessary in the interests of the public or a section of the public, or a class or classes of users of a designated benchmark, by notice in writing to the authorised benchmark administrator, direct the authorised benchmark administrator to remove the director or executive officer, as the case may be, from his office or employment within such period as may be specified by the Authority in the notice, and the authorised benchmark administrator must comply with the notice.

(3) Without prejudice to any other matter that the Authority may consider relevant, the Authority may, when determining whether a director or an executive officer of an authorised benchmark administrator has failed to discharge the duties of his office for the purposes of subsection (2)(*c*), have regard to such criteria as may be prescribed by regulations made under section 123ZZA or notified to the authorised benchmark administrator.

(4) The Authority must not direct an authorised benchmark administrator to remove a person from the person's office under subsection (2) without giving the authorised benchmark administrator an opportunity to be heard.

(5) Where the Authority directs an authorised benchmark administrator to remove a person from the person's office or employment under subsection (2), the Authority need not give that person an opportunity to be heard.

(6) No criminal or civil liability is incurred by —

(*a*) an authorised benchmark administrator; or

(*b*) any person acting on behalf of an authorised benchmark administrator,

in respect of anything done (including any statement made) or omitted to be done with reasonable care and in good faith in the discharge or purported discharge of its obligations under this section.

(7) Any authorised benchmark administrator which contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

(8) In this section, unless the context otherwise requires —

"regulated financial institution" means a person who carries on a business, the conduct of which is regulated or authorised by the Authority or, if it is carried on in Singapore, would be regulated or authorised by the Authority;

"regulatory authority", in relation to a foreign country or territory, means an authority of the foreign country or territory exercising any function that corresponds to a regulatory function of the Authority under this Act, the Monetary Authority of Singapore Act or any of the written laws set out in the Schedule to that Act.

Control of take-over of authorised benchmark administrator

123Z.—(1) This section applies to all individuals whether resident in Singapore or not and whether citizens of Singapore or not, and to all bodies corporate or unincorporate, whether incorporated or carrying on business in Singapore or not.

(2) A person must not enter into any arrangement in relation to shares in an authorised benchmark administrator that is a company by virtue of which he would, if the arrangement is carried out, obtain effective control of the authorised benchmark administrator, unless he has obtained the prior approval of the Authority to his entering into the arrangement.

(3) An application for the Authority's approval under subsection (2) must be made in writing, and the Authority may approve the application if the Authority is satisfied that —

(*a*) the applicant is a fit and proper person to have effective control of the authorised benchmark administrator;

(*b*) having regard to the applicant's likely influence, the authorised benchmark administrator is likely to continue to carry on a business of administering a designated benchmark prudently and comply with the provisions of this Act and directions made thereunder; and

(*c*) the applicant satisfies such other criteria as may be prescribed by regulations made under section 123ZZA or as may be specified in written directions by the Authority.

(4) Any approval under subsection (3) may be granted to the applicant subject to such conditions as the Authority may determine, including any condition —

(*a*) restricting the applicant's disposal or further acquisition of shares or voting power in the authorised benchmark administrator; or

(*b*) restricting the applicant's exercise of voting power in the authorised benchmark administrator,

and the applicant must comply with such conditions.

(5) Any condition imposed under subsection (4) has effect despite any provision of the Companies Act (Cap. 50) or anything contained in the constitution of the authorised benchmark administrator.

(6) For the purposes of this section and section 123ZA —

(*a*) a reference to a person entering into an arrangement in relation to shares includes —

(i) entering into an agreement or any formal or informal scheme, arrangement or understanding, to acquire those shares;

(ii) making or publishing a statement, however expressed, that expressly or impliedly invites the holder of those shares to offer to dispose of his shares to the first person;

(iii) the first person obtaining a right to acquire shares under an option, or to have shares transferred to himself or to his order, whether the right is exercisable presently or in the future and whether on fulfilment of a condition or not; and

(iv) becoming a trustee of a trust in respect of those shares;

(*b*) a person is regarded as obtaining effective control of the authorised benchmark administrator by virtue of an arrangement if the person alone or acting together with any connected person would, if the arrangement is carried out —

(i) acquire or hold, directly or indirectly, 20% or more of the issued share capital of the authorised benchmark administrator; or

(ii) control, directly or indirectly, 20% or more of the voting power in the authorised benchmark administrator; and

(*c*) a reference to the voting power in the authorised benchmark administrator is a reference to the total number of votes that may be cast in a general meeting of the authorised benchmark administrator.

(7) Any person who contravenes subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 or to imprisonment for a term not exceeding 3 years or to both.

Objection to control of authorised benchmark administrator

123ZA.—(1) The Authority may serve a written notice of objection on —

(*a*) any person required to obtain the Authority's approval or who has obtained the approval under section 123Z; or

(*b*) any person who, whether before, on or after the date of commencement of section 48 of the Securities and Futures (Amendment) Act 2017, either alone or together with any connected person, holds, directly or indirectly, 20% or more of the issued share capital of the authorised benchmark administrator or controls, directly or indirectly, 20% or more of the voting power in the authorised benchmark administrator,

if the Authority is satisfied that —

(i) any condition of approval imposed on the person under section 123Z(4) has not been complied with;

(ii) the person is not or ceases to be a fit and proper person to have effective control of the authorised benchmark administrator;

(iii) having regard to the likely influence of the person, the authorised benchmark administrator is not able to or is no longer likely to conduct the activity of administering a designated benchmark prudently or to comply with the provisions of this Act or any direction made thereunder;

(iv) the person does not or ceases to satisfy such criteria as may be prescribed by regulations made under section 123ZZA;

(v) the person has furnished false or misleading information or documents in connection with an application under section 123Z; or

(vi) the Authority would not have granted its approval under section 123Z had it been aware, at that time, of circumstances relevant to the person's application for such approval.

(2) The Authority must not serve a notice of objection on any person without giving the person an opportunity to be heard, except in the following circumstances:

(*a*) the person is in the course of being wound up or otherwise dissolved or, in the case of an individual, is an undischarged bankrupt whether in Singapore or elsewhere;

(*b*) a receiver, a receiver and manager, a judicial manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of any property of the person;

(*c*) a prohibition order under section 123ZZC has been made by the Authority, and remains in force, against the person;

(*d*) the person has been convicted, whether in Singapore or elsewhere, of any offence involving fraud or dishonesty or the conviction for which involved a finding that the person had acted fraudulently or dishonestly.

(3) The Authority must, in any written notice of objection, specify a reasonable period within which the person to be served the written notice of objection must —

(*a*) take such steps as are necessary to ensure that the person ceases to be a party to the arrangement described in section 123Z(2), ceases to hold 20% or more of the issued share capital of the authorised benchmark administrator in the manner described in subsection (1)(*b*), or ceases to control 20% or more of the voting power in the authorised benchmark administrator in the manner described in subsection (1)(*b*); or

(*b*) comply with such other requirements as the Authority may specify in written directions.

(4) Any person served with a notice of objection under this section must comply with the notice.

(5) Any person who contravenes subsection (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 or to imprisonment for a term not exceeding 3 years or to both.

Appeals

123ZB. Any authorised benchmark administrator who is aggrieved by —

(*a*) the refusal of the Authority to grant an approval to the authorised benchmark administrator to appoint a person as its chief executive officer or director; or

(*b*) the direction of the Authority to the authorised benchmark administrator to remove an officer from office or employment,

may within 30 days after it is notified of the decision of the Authority, appeal to the Minister whose decision is final.

Division 3 — Benchmark Submitters of Designated Benchmarks

Subdivision (1) — Authorised benchmark submitter

Requirement for authorisation

123ZC.—(1) Subject to section 123ZH(1), no person may, as principal or agent, carry on a business or activity of providing information in relation to a designated benchmark unless the person is —

(*a*) an authorised benchmark submitter; or

(*b*) a designated benchmark submitter.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not

exceeding $150,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

Application for authorisation

123ZD.—(1) A corporation may apply to the Authority to be authorised as an authorised benchmark submitter.

(2) An application made under subsection (1) must be —

(*a*) made in such form and manner as may be specified by the Authority; and

(*b*) accompanied by a non-refundable application fee of an amount prescribed by regulations made under section 123ZZA, which must be paid in the manner specified by the Authority.

(3) The Authority may require an applicant to furnish it with such information or documents as the Authority considers necessary in relation to the application.

Power of Authority to authorise benchmark submitters

123ZE.—(1) Where a corporation mentioned in section 123ZD(1) has made an application under that provision, the Authority may authorise the corporation as an authorised benchmark submitter.

(2) The Authority may authorise a corporation as an authorised benchmark submitter under subsection (1) subject to such conditions or restrictions as the Authority may impose by notice in writing, including conditions or restrictions, either of a general or specific nature, relating to the activities that the corporation may undertake.

(3) The Authority may, at any time, by notice in writing to the authorised benchmark submitter, vary any condition or restriction or impose any further condition or restriction.

(4) An authorised benchmark submitter must, for the duration of the authorisation, satisfy every condition or restriction that may be imposed on it under subsections (2) and (3).

(5) Subject to regulations made under this Act, the Authority may refuse to authorise a corporation as an authorised benchmark submitter if —

(*a*) the corporation has not provided the Authority with such information, as the Authority may require, relating to —

(i) the corporation or any person employed by or associated with the corporation for the purposes of the corporation's business or operations; or

(ii) any circumstances likely to affect the corporation's manner of conducting business or operations;

(*b*) any information or document provided by the corporation to the Authority is false or misleading;

(*c*) the corporation or a substantial shareholder of the corporation is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

(*d*) execution against the corporation or a substantial shareholder of the corporation in respect of a judgment debt has been returned unsatisfied in whole or in part;

(*e*) a receiver, a receiver and manager, judicial manager or a person in an equivalent capacity has been appointed, whether in Singapore or elsewhere, in relation to, or in respect of, any property of the corporation or a substantial shareholder of the corporation;

(*f*) the corporation or a substantial shareholder of the corporation has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with the creditors of the corporation or substantial

shareholder, as the case may be, being a compromise or scheme of arrangement that is still in operation;

(*g*) the corporation, a substantial shareholder of the corporation or any officer of the corporation —

(i) has been convicted, whether in Singapore or elsewhere, of an offence committed before, on or after the date of commencement of section 48 of the Securities and Futures (Amendment) Act 2017, involving fraud or dishonesty or the conviction for which involved a finding that the corporation, shareholder or officer, as the case may be, had acted fraudulently or dishonestly; or

(ii) has been convicted of an offence under this Act committed before, on or after the date of commencement of section 48 of the Securities and Futures (Amendment) Act 2017;

(*h*) the corporation fails to satisfy the Authority that the corporation is a fit and proper person or that all of its officers, employees and substantial shareholders are fit and proper persons;

(*i*) the Authority has reason to believe that the corporation may not be able to act in the best interests of a class or classes of users of the designated benchmark having regard to the reputation, character, financial integrity and reliability of the corporation or its officers, employees or substantial shareholders;

(*j*) the Authority is not satisfied as to —

(i) the financial standing of the corporation or any of its substantial shareholders; or

(ii) the manner in which the business of the corporation is to be conducted, or the operations of the corporation are to be conducted, in relation to the activity of

providing information in relation to a designated benchmark;

(*k*) the Authority is not satisfied as to the record of past performance or expertise of the corporation in providing information in relation to a designated benchmark, having regard to the nature of the business or operations which the corporation may carry on or conduct in connection with providing information in relation to a designated benchmark;

(*l*) there are other circumstances which are likely to —

(i) lead to improper conduct of business or operations by the corporation or any of its officers, employees or substantial shareholders; or

(ii) reflect discredit on the manner of conducting the business or operations of the corporation or any of its substantial shareholders;

(*m*) the Authority has reason to believe that the corporation will not carry on a business or activity of providing information in relation to a designated benchmark efficiently, honestly or fairly, or that any of the officers or employees of the corporation will not act efficiently, honestly or fairly in relation to such business;

(*n*) the Authority is of the opinion that it would be contrary to the interests of the public to authorise the corporation as an authorised benchmark submitter; or

(*o*) a prohibition order under section 123ZZC has been made by the Authority, and remains in force, against the corporation.

(6) Subject to subsection (7), the Authority must not refuse to authorise a corporation as an authorised benchmark submitter without giving the corporation an opportunity to be heard.

(7) The Authority may refuse to authorise a corporation as an authorised benchmark submitter on any of the following grounds without giving the corporation an opportunity to be heard:

(*a*) the corporation is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

(*b*) a receiver, a receiver and manager or a person in an equivalent capacity has been appointed, whether in Singapore or elsewhere, in relation to or in respect of any property of the corporation;

(*c*) the corporation has been convicted, whether in Singapore or elsewhere, of an offence committed before, on or after the date of commencement of section 48 of the Securities and Futures (Amendment) Act 2017, involving fraud or dishonesty or the conviction for which involved a finding that it had acted fraudulently or dishonestly;

(*d*) a prohibition order under section 123ZZC has been made by the Authority, and remains in force, against the corporation.

(8) Any corporation that is aggrieved by a refusal of the Authority to grant an authorisation under subsection (1) may, within 30 days after the corporation is notified of the refusal, appeal to the Minister whose decision is final.

(9) Any authorised benchmark submitter that contravenes subsection (4) shall be guilty of an offence.

False statements in relation to application for authorisation

123ZF. Any person who, in connection with an application for authorisation as an authorised benchmark submitter —

(*a*) without reasonable excuse, makes a statement which is false or misleading in a material particular; or

(*b*) without reasonable excuse, omits to state any matter or thing without which the application is misleading in a material respect,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000.

Revocation, suspension or withdrawal of authorisation

123ZG.—(1) The Authority may revoke the authorisation of a corporation as an authorised benchmark submitter under section 123ZE(1) if —

(*a*) there exists a ground on which the Authority may refuse an application under section 123ZE(5);

(*b*) the corporation does not commence providing information in relation to a designated benchmark within 12 months starting on the date on which it was granted the authorisation under section 123ZE(1);

(*c*) the corporation ceases to carry on a business or activity of providing information in relation to a designated benchmark;

(*d*) where the corporation carries on a business or activity of providing information in relation to a designated benchmark, the Authority has withdrawn the designation of that designated benchmark under section 123C;

(*e*) where the corporation carries on a business or activity of providing information in relation to a designated benchmark in respect of more than one designated benchmark, the Authority has withdrawn the designation of all of those designated benchmarks under section 123C;

(*f*) the Authority has reason to believe that the corporation, or any of its officers or employees, has not performed its or their duties efficiently, honestly or fairly;

(*g*) the corporation has contravened any condition or restriction applicable in respect of its authorisation, any written direction issued to it by the Authority under this Act, or any provision of this Act, or has failed to comply with any principle or rule under the code on designated benchmark of the authorised benchmark administrator or exempt benchmark administrator to which it provides information;

(*h*) it appears to the Authority that the corporation has failed to satisfy any of its obligations in compliance with, under or arising from —

(i) this Act; or

(ii) any written direction issued by the Authority under this Act;

(*i*) the Authority has reason to believe that the corporation is carrying on a business or activity of providing information in relation to a designated benchmark in a manner that is contrary to the interests of the public or a section of the public;

(*j*) the corporation has furnished any information or document to the Authority that is false or misleading; or

(*k*) a prohibition order under section 123ZZC has been made by the Authority, and remains in force, against the corporation.

(2) The Authority may —

(*a*) suspend the authorisation granted to an authorised benchmark submitter for a specific period instead of revoking it under subsection (1); and

(*b*) at any time extend or revoke the suspension.

(3) Subject to subsection (4), the Authority, may upon an application in writing made to it by an authorised benchmark submitter, in such form and manner as may be specified by the

Authority, withdraw the authorisation of the authorised benchmark submitter.

(4) The Authority may refuse to withdraw the authorisation of an authorised benchmark submitter under subsection (3) where the Authority is of the opinion that —

(*a*) there is any matter concerning the corporation which should be investigated before the authorisation is withdrawn; or

(*b*) the withdrawal of the authorisation would not be in the public interest.

(5) Subject to subsection (6), the Authority must not —

(*a*) revoke the authorisation granted to an authorised benchmark submitter under subsection (1);

(*b*) suspend the authorisation granted to an authorised benchmark submitter under subsection (2); or

(*c*) refuse the withdrawal of the authorisation granted to an authorised benchmark submitter under subsection (4),

without giving the authorised benchmark submitter an opportunity to be heard.

(6) The Authority may revoke or suspend the authorisation of a corporation as an authorised benchmark submitter without giving the corporation an opportunity to be heard on any of the following grounds:

(*a*) the corporation is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

(*b*) a receiver, a receiver and manager or an equivalent person has been appointed, whether in Singapore or elsewhere, for or in respect of any property of the corporation;

(*c*) the corporation has been convicted, whether in Singapore or elsewhere, of an offence involving

fraud or dishonesty or the conviction for which involved a finding that it had acted fraudulently or dishonestly;

(*d*) the Authority has withdrawn the designation of the designated benchmark under section 123C;

(*e*) a prohibition order under section 123ZZC has been made by the Authority, and remains in force, against the corporation.

(7) Any corporation that is aggrieved by a decision of the Authority made in relation to the corporation under subsection (1), (2) or (4) may, within 30 days after the corporation is notified of the decision, appeal to the Minister whose decision is final.

(8) Despite the lodging of an appeal under subsection (7), any action taken by the Authority under this section continues to have effect pending the decision of the Minister.

(9) The Minister may, when deciding an appeal under subsection (7), make such modification as he considers necessary to any action taken by the Authority under this section, and such modified action has effect starting on the date of the decision of the Minister.

Subdivision (2) — Exempt benchmark submitter

Exemptions from requirement to be authorised as authorised benchmark submitter

123ZH.—(1) The following persons are exempt from section 123ZC(1):

(*a*) any bank licensed under the Banking Act (Cap. 19);

(*b*) any merchant bank authorised as a financial institution under the Monetary Authority of Singapore Act (Cap. 186);

(*c*) any finance company licensed under the Finance Companies Act (Cap. 108);

(*d*) any company or co-operative society licensed under the Insurance Act (Cap. 142);

(*e*) any approved exchange, recognised market operator or approved holding company;

(*f*) any approved clearing house or recognised clearing house;

(*g*) any holder of a capital markets services licence;

(*h*) any authorised benchmark administrator;

(*i*) any financial adviser licensed under the Financial Advisers Act (Cap. 110);

(*j*) such other person or class of persons as may be exempted by the Authority by regulations made under section 337.

(2) The Authority may by regulations made under section 123ZZA or by notice in writing impose conditions or restrictions on an exempt person in relation to the business or activity of providing information in relation to a designated benchmark or any related matter and the exempt person must comply with such conditions or restrictions.

(3) Any exempt person who contravenes any condition or restriction imposed under subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 and, in the case of a continuing offence, to a further fine not exceeding $5,000 for every day or part of a day during which the offence continues after conviction.

(4) The Authority may revoke an exemption granted to any person under this section —

(*a*) if the person contravenes any provision of this Act which is applicable to it or any condition or restriction imposed on it under subsection (2);

(*b*) if the person contravenes any direction issued to it under section 123ZZB;

(*c*) if the person has failed to comply with any principle or rule under the code on designated benchmark;

(*d*) where the person carries on a business or activity of providing information in relation to a particular designated benchmark, if the Authority has withdrawn the designation of that designated benchmark under section 123C;

(*e*) where the person carries on a business or activity of providing information in relation to a designated benchmark in respect of more than one designated benchmark, the Authority has withdrawn the designation of all of those designated benchmarks under section 123C; or

(*f*) if the Authority considers that the person is carrying on a business or activity of providing information in relation to a designated benchmark in a manner that is, in the opinion of the Authority, contrary to the interests of a class, or classes, of users of a designated benchmark, or the interests of the public.

(5) Where the Authority revokes an exemption granted to any person under this section, the Authority need not give the person an opportunity to be heard.

(6) A person who is aggrieved by a decision of the Authority made under subsection (4) may, within 30 days after it is notified of the decision of the Authority, appeal to the Minister whose decision is final.

Subdivision (3) — Designated benchmark submitter

Power of Authority to designate benchmark submitters

123ZI.—(1) The Authority may, by order in the *Gazette*, designate any of the following persons as a designated benchmark submitter in relation to a designated benchmark:

(*a*) a bank licensed under the Banking Act (Cap. 19);

(*b*) a recognised market operator;

(*c*) a holder of a capital markets services licence;

(*d*) an exempt person;

(*e*) a person who belongs to such class of persons which is prescribed by regulations made under section 123ZZA, being a class of persons that the Authority believes on reasonable grounds is capable of providing information in relation to a designated benchmark.

(2) For the purposes of subsection (1), in deciding whether to designate a person as a designated benchmark submitter in respect of a designated benchmark, the Authority must have regard to —

(*a*) the robustness of the designated benchmark;

(*b*) the extent to which the information or expressions of opinion which the person is able to provide in relation to the designated benchmark is or is likely to be necessary for the functionality of the market or markets in which the designated benchmark is used for reference;

(*c*) the size and extent of the person's actual and potential participation in the market that the designated benchmark seeks to measure, and the extent to which such actual or potential participation is or is likely to be material to the determination of the designated benchmark;

(*d*) the quality of the information or expressions of opinion which the person is able to provide to enable an authorised benchmark administrator or exempt benchmark administrator to determine the designated benchmark;

(*e*) the selection criteria of the authorised benchmark administrator or exempt benchmark administrator, in relation to the benchmark submitters of a designated benchmark; and

(*f*) such other factors as the Authority considers relevant.

(3) The Authority must not exercise its powers under subsection (1) without giving the person concerned an opportunity to be heard.

(4) A person who is aggrieved by the exercise of the Authority's powers under subsection (1) may, within 30 days after the date the order under subsection (1) is published, appeal to the Minister whose decision is final.

(5) Despite the lodging of an appeal under subsection (4), a person designated by the Authority under subsection (1) is treated as a designated benchmark submitter pending the decision of the Minister.

(6) A designated benchmark submitter is not obliged to disclose any information to an authorised benchmark administrator or exempt benchmark administrator if the designated benchmark submitter is prohibited by any written law from disclosing such information.

(7) The Authority may, by order in the *Gazette*, withdraw the designation of any designated benchmark submitter at any time if the Authority is of the opinion that the considerations in subsection (2) are no longer valid or satisfied.

Obligation to provide information for the purposes of determining designated benchmark

123ZJ.—(1) Every designated benchmark submitter must provide to the authorised benchmark administrator or exempt benchmark administrator in respect of a designated benchmark such information or expression of opinion for the purposes of determining the designated benchmark, as the Authority may specify by notice in writing to the designated benchmark submitter, at such time and in such form or manner as the Authority may specify by notice in writing.

(2) Any designated benchmark submitter which contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 and, in the case of a

continuing offence, to a further fine not exceeding $5,000 for every day or part of a day during which the offence continues after conviction.

Power of Authority to impose requirements or restrictions

123ZK.—(1) The Authority may, by notice in writing, impose requirements or restrictions on a designated benchmark submitter.

(2) The Authority may, at any time, by notice in writing to a designated benchmark submitter, vary any requirement or restriction imposed on the designated benchmark submitter.

(3) Any designated benchmark submitter which fails to comply with any requirement or restriction imposed under subsection (1) or (2) shall be guilty of an offence.

Subdivision (4) — Obligations of authorised benchmark submitters, exempt benchmark submitters and designated benchmark submitters

General obligations

123ZL.—(1) Every authorised benchmark submitter, exempt benchmark submitter and designated benchmark submitter must, in relation to the designated benchmark in respect of which it provides information —

(*a*) manage any risks associated with its business and operations prudently;

(*b*) ensure that the systems and controls concerning its performing the activity of providing information in relation to a designated benchmark are adequate and appropriate for the scale and nature of its operations;

(*c*) have sufficient financial, human and system resources —

(i) to carry on a business or activity of providing information in relation to a designated benchmark; and

(ii) to meet contingencies or disasters; and

(*d*) in the case of an authorised benchmark submitter or a designated benchmark submitter, ensure that it appoints or employs fit and proper persons as its chairman, chief executive officer, directors and key management officers.

(2) In subsection (1)(*c*), "contingencies or disasters" includes technical disruptions occurring within automated systems.

Obligation to notify Authority of certain matters

123ZM.—(1) Every authorised benchmark submitter, exempt benchmark submitter and designated benchmark submitter must, as soon as practicable after the occurrence of any of the following circumstances, notify the Authority of the circumstance:

(*a*) in the case of an authorised benchmark submitter, any material change to the information provided by the authorised benchmark submitter in its application under section 123ZD(1);

(*b*) any change to the type or number of designated benchmarks in relation to which the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be, is carrying on a business or activity of providing information in relation to a designated benchmark;

(*c*) the carrying on of any business (called in this section a proscribed business) by the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be, other than such business or such class of businesses prescribed by regulations made under section 123ZZA;

(*d*) the acquisition by the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be, of a substantial shareholding in a corporation (called in this section a proscribed corporation), which

carries on any business other than such business or such class of businesses prescribed by regulations made under section 123ZZA;

(*e*) any other matter that the Authority may —

(i) prescribe by regulations made under section 123ZZA for the purposes of this paragraph; or

(ii) specify by notice in writing to the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be.

(2) Without prejudice to the generality of section 123ZZB(1), the Authority may, at any time after receiving a notice mentioned in subsection (1), issue directions to the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter —

(*a*) where the notice relates to a matter mentioned in subsection (1)(*c*) —

(i) to cease carrying on the proscribed business; or

(ii) to carry on the proscribed business subject to such conditions or restrictions as the Authority may impose; or

(*b*) where the notice relates to a matter mentioned in subsection (1)(*d*) —

(i) to dispose of all or any part of its shareholding in the proscribed corporation within such time and subject to such conditions as specified in the directions; or

(ii) to exercise its rights relating to such shareholding, or to not exercise such rights, subject to such conditions or restrictions as the Authority may impose.

(3) An authorised benchmark submitter, an exempt benchmark submitter and a designated benchmark submitter must comply

with every direction issued to it under subsection (2) despite anything to the contrary in the Companies Act (Cap. 50) or any other law.

(4) An authorised benchmark submitter, an exempt benchmark submitter and a designated benchmark submitter must notify the Authority of any matter that the Authority may prescribe by regulations made under section 123ZZA for the purposes of this subsection, no later than such time as the Authority may prescribe by those regulations.

(5) An authorised benchmark submitter, an exempt benchmark submitter and a designated benchmark submitter must notify the Authority of any matter that the Authority may specify by notice in writing to the authorised benchmark submitter, exempt benchmark submitter, or designated benchmark submitter, as the case may be, no later than such time as the Authority may specify in that notice.

Obligation to maintain proper records

123ZN.—(1) Every authorised benchmark submitter, exempt benchmark submitter and designated benchmark submitter must maintain a record of the following in respect of a designated benchmark:

(*a*) all information or expressions of opinion which the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be, provides to any authorised benchmark administrator or exempt benchmark administrator;

(*b*) the basis of the information or the rationale of the expressions of opinion referred to in paragraph (*a*);

(*c*) such other matters as the Authority may prescribe by regulations made under section 123ZZA.

(2) The records mentioned in subsection (1) must be kept for such period, and in such form and manner, as may be prescribed by regulations made under section 123ZZA.

Obligation to submit periodic reports

123ZO. Every authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, must submit to the Authority such reports in such form, manner and frequency as the Authority may prescribe by regulations made under section 123ZZA.

Notification of change of particulars

123ZP. Where —

(*a*) an authorised benchmark submitter or exempt benchmark submitter ceases to carry on a business or activity of providing information in relation to a designated benchmark; or

(*b*) a change occurs in any matter records of which are required by section 123ZQ(1) to be kept in relation to the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter,

the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be, must, not later than 14 days after the occurrence of the event, furnish particulars of the event to the Authority in the form and manner prescribed by regulations made under section 123ZZA.

Records of authorised benchmark submitters, exempt benchmark submitters and designated benchmark submitters

123ZQ.—(1) The Authority must keep records of every authorised benchmark submitter, exempt benchmark submitter and designated benchmark submitter, setting out the following information of each authorised benchmark submitter, exempt benchmark submitter and designated benchmark submitter:

(*a*) the name of the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be;

(*b*) the address of the principal place at which the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be, carries on the business or activity of providing information in relation to a designated benchmark;

(*c*) where the business or activity of providing information in relation to a designated benchmark is carried on under a name or style other than the name of the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, the name or style under which the business is carried on;

(*d*) such other information as may be prescribed by regulations made under section 123ZZA.

(2) The Authority may publish the information mentioned in subsection (1) or any part of that information in any manner.

Obligation to assist Authority

123ZR. Every authorised benchmark submitter, exempt benchmark submitter and designated benchmark submitter must provide such assistance to the Authority as the Authority may require for the proper administration of this Act, including —

(*a*) the furnishing of returns; and

(*b*) the provision of books and information relating to the business of the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be.

Penalties under this Subdivision

123ZS. Any authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter which contravenes section 123ZL, 123ZM, 123ZN, 123ZO, 123ZP or 123ZR shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 and, in the case of

a continuing offence, to a further fine not exceeding $5,000 for every day or part of a day during which the offence continues after conviction.

Subdivision (5) — Matters requiring approval of Authority

Approval of chief executive officer and director of authorised benchmark submitter or designated benchmark submitter

123ZT.—(1) Subject to subsection (3), an authorised benchmark submitter or designated benchmark submitter must not —

(*a*) appoint a person as its chief executive officer or director; or

(*b*) change the nature of the appointment of a person as a director from one that is non-executive to one that is executive,

unless it has the approval of the Authority to do so.

(2) Where an authorised benchmark submitter or a designated benchmark submitter has obtained the approval of the Authority to appoint a person as its chief executive officer or director under subsection (1)(*a*), the person may be re-appointed as a chief executive officer or director, as the case may be, of the authorised benchmark submitter or designated benchmark submitter, as the case may be, immediately upon the expiry of the earlier term without the approval of the Authority.

(3) Subsection (1) does not apply to the appointment of a person as a director of a foreign company, or the change in the nature of the appointment of a person as a director of a foreign company if, at the time of the appointment or change, the person —

(*a*) does not reside in Singapore; and

(*b*) is not directly responsible for its carrying out of the activity of providing information in relation to a designated benchmark or any part of the activity of

providing information in relation to a designated benchmark.

(4) Without prejudice to any other matter that the Authority may consider relevant, the Authority may, in determining whether to grant its approval under subsection (1), have regard to such criteria as may be prescribed by regulations made under section 123ZZA or notified to the authorised benchmark submitter or designated benchmark submitter, as the case may be.

(5) Subject to subsection (6), the Authority must not refuse an application for approval under subsection (1) without giving the authorised benchmark submitter or designated benchmark submitter an opportunity to be heard.

(6) The Authority may refuse an application for approval under subsection (1) on any of the following grounds without giving the authorised benchmark submitter or designated benchmark submitter an opportunity to be heard:

(*a*) the person is an undischarged bankrupt, whether in Singapore or elsewhere;

(*b*) a prohibition order under section 123ZZC has been made by the Authority, and remains in force, against the person;

(*c*) the person has been convicted, whether in Singapore or elsewhere, of an offence —

(i) involving fraud or dishonesty or the conviction for which involved a finding that he had acted fraudulently or dishonestly; and

(ii) punishable with imprisonment for a term of 3 months or more.

(7) Where the Authority refuses an application for approval under subsection (1), the Authority need not give the person who was proposed to be appointed an opportunity to be heard.

(8) Without prejudice to the Authority's power to impose conditions or restrictions under section 123ZE(2) or (3), or

requirements or restrictions under section 123ZK, the Authority may, at any time by notice in writing to the authorised benchmark submitter or designated benchmark submitter, impose on it a condition requiring it to notify the Authority of a change to any specified attribute (such as residence and nature of appointment) of its chief executive officer or director, and vary any such condition.

(9) This section does not apply to any designated benchmark submitter that is —

(*a*) a bank licensed under the Banking Act (Cap. 19);

(*b*) a merchant bank approved as a financial institution under section 28 of the Monetary Authority of Singapore Act (Cap. 186);

(*c*) a finance company licensed under the Finance Companies Act (Cap. 108);

(*d*) a holder of a capital markets services licence for any regulated activity;

(*e*) a licensed financial adviser under the Financial Advisers Act (Cap. 110);

(*f*) a direct insurer licensed under the Insurance Act (Cap. 142) to carry on life business;

(*g*) an insurance intermediary registered or regulated under the Insurance Act, who arranges contracts of insurance in Singapore in respect of life business only; or

(*h*) such other person or class of persons as may be prescribed by regulations made under section 123ZZA.

(10) Any authorised benchmark submitter or designated benchmark submitter which contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 and, in the case of a continuing offence, to a further fine not exceeding $5,000 for every day or part of a day during which the offence continues after conviction.

(11) Any authorised benchmark submitter or designated benchmark submitter which contravenes any condition imposed on it under subsection (8) shall be guilty of an offence.

Removal of officer of authorised benchmark submitter or designated benchmark submitter

123ZU.—(1) Despite the provisions of any other written law —

(*a*) an authorised benchmark submitter or a designated benchmark submitter must not, without the prior written consent of the Authority, permit a person to act as its executive officer; and

(*b*) an authorised benchmark submitter or a designated benchmark submitter, that is incorporated in Singapore must not, without the prior written consent of the Authority, permit a person to act as its director,

if the person —

(i) has been convicted, whether in Singapore or elsewhere, of an offence committed before, on or after the date of commencement of section 48 of the Securities and Futures (Amendment) Act 2017, being an offence —

(A) involving fraud or dishonesty;

(B) the conviction for which involved a finding that he had acted fraudulently or dishonestly; or

(C) that is specified in the Third Schedule to the Registration of Criminals Act (Cap. 268);

(ii) is an undischarged bankrupt, whether in Singapore or elsewhere;

(iii) has had execution against him in respect of a judgment debt returned unsatisfied in whole or in part;

(iv) has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with his

creditors, being a compromise or scheme of arrangement that is still in operation;

(v) has had a prohibition order under section 59 of the Financial Advisers Act (Cap. 110), section 35V of the Insurance Act (Cap. 142), section 101A or 123ZZC made against him that remains in force; or

(vi) has been a director of, or directly concerned in the management of, a regulated financial institution, whether in Singapore or elsewhere —

(A) which is being or has been wound up by a court; or

(B) the approval, authorisation, designation, recognition, registration or licence of which has been withdrawn, cancelled or revoked by the Authority or, in the case of a regulated financial institution in a foreign country or territory, by the regulatory authority in that foreign country or territory.

(2) Despite the provisions of any other written law, where the Authority is satisfied that a director of an authorised benchmark submitter or a designated benchmark submitter, that is incorporated in Singapore, or an executive officer of an authorised benchmark submitter or a designated benchmark submitter —

(*a*) has wilfully contravened or wilfully caused the authorised benchmark submitter or designated benchmark submitter, as the case may be, to contravene any provision of this Act;

(*b*) has, without reasonable excuse, failed to secure the compliance of the authorised benchmark submitter or designated benchmark submitter, as the case may be, with this Act, the Monetary Authority of Singapore Act (Cap. 186) or any of the written laws set out in the Schedule to that Act; or

(*c*) has failed to discharge any of the duties of his office,

the Authority may, if it thinks it necessary in the interests of the public or a section of the public, or a class or classes of users of a designated benchmark, by notice in writing to the authorised benchmark submitter or designated benchmark submitter, as the case may be, direct the authorised benchmark submitter or designated benchmark submitter to remove the director or executive officer, as the case may be, from the director's or executive officer's office or employment within such period as may be specified by the Authority in the notice, and the authorised benchmark submitter or designated benchmark submitter, as the case may be, must comply with the notice.

(3) Without prejudice to any other matter that the Authority may consider relevant, the Authority may, when determining whether a director or an executive officer of an authorised benchmark submitter or designated benchmark submitter, as the case may be, has failed to discharge the duties of the director's or executive officer's office for the purposes of subsection (2)(*c*), have regard to such criteria as may be prescribed by regulations made under section 123ZZA or notified in writing to the authorised benchmark submitter or designated benchmark submitter, as the case may be.

(4) The Authority must not direct an authorised benchmark submitter or designated benchmark submitter to remove a person from the person's office under subsection (2) without giving the authorised benchmark submitter or designated benchmark submitter, as the case may be, an opportunity to be heard.

(5) Where the Authority directs an authorised benchmark submitter or a designated benchmark submitter to remove a person from the person's office or employment under subsection (2), the Authority need not give that person an opportunity to be heard.

(6) No criminal or civil liability is incurred by —

(*a*) an authorised benchmark submitter;

(*b*) a designated benchmark submitter; or

(*c*) any person acting on behalf of the authorised benchmark submitter or designated benchmark submitter,

in respect of anything done (including any statement made) or omitted to be done with reasonable care and in good faith in the discharge or purported discharge of its obligations under this section.

(7) This section does not apply to any designated benchmark submitter that is —

(*a*) a bank licensed under the Banking Act (Cap. 19);

(*b*) a merchant bank approved as a financial institution under section 28 of the Monetary Authority of Singapore Act (Cap. 186);

(*c*) a finance company licensed under the Finance Companies Act (Cap. 108);

(*d*) the holder of a capital markets services licence for any regulated activity;

(*e*) a licensed financial adviser under the Financial Advisers Act (Cap. 110);

(*f*) a direct insurer licensed under the Insurance Act (Cap. 142) to carry on life business;

(*g*) an insurance intermediary registered or regulated under the Insurance Act, who arranges contracts of insurance in Singapore in respect of life business only; or

(*h*) such other person or class of persons as may be prescribed by regulations made under section 123ZZA.

(8) Any authorised benchmark submitter or designated benchmark submitter which contravenes subsection (1), or any direction issued by the Authority under subsection (2), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 and, in the case of a continuing offence, to a

further fine not exceeding $5,000 for every day or part of a day during which the offence continues after conviction.

(9) In this section, unless the context otherwise requires —

"regulated financial institution" means a person who carries on a business, the conduct of which is regulated or authorised by the Authority or, if it is carried on in Singapore, would be regulated or authorised by the Authority;

"regulatory authority", in relation to a foreign country or territory, means an authority of the foreign country or territory exercising any function that corresponds to a regulatory function of the Authority under this Act, the Monetary Authority of Singapore Act or any of the written laws set out in the Schedule to that Act.

Control of take-over of authorised benchmark submitter or designated benchmark submitter

123ZV.—(1) This section applies to all individuals whether resident in Singapore or not and whether citizens of Singapore or not, and to all bodies corporate or unincorporate, whether incorporated or carrying on business in Singapore or not.

(2) A person must not enter into any arrangement in relation to shares in an authorised benchmark submitter or designated benchmark submitter that is a company by virtue of which the person would, if the arrangement is carried out, obtain effective control of the authorised benchmark submitter or designated benchmark submitter, unless the person has obtained the prior approval of the Authority to the person's entering into the arrangement.

(3) An application for the Authority's approval under subsection (2) must be made in writing, and the Authority may authorise the application if the Authority is satisfied that —

(*a*) the applicant is a fit and proper person to have effective control of the authorised benchmark

submitter or designated benchmark submitter, as the case may be;

(*b*) having regard to the applicant's likely influence, the authorised benchmark submitter or designated benchmark submitter, as the case may be, is likely to continue to carry on a business or activity of providing information in relation to a designated benchmark prudently and comply with the provisions of this Act and directions made thereunder; and

(*c*) the applicant satisfies such other criteria as may be prescribed by regulations made under section 123ZZA or as may be specified in written directions by the Authority.

(4) Any approval under subsection (3) may be granted to the applicant subject to such conditions as the Authority may determine, including any condition —

(*a*) restricting the applicant's disposal or further acquisition of shares or voting power in the authorised benchmark submitter or designated benchmark submitter, as the case may be; or

(*b*) restricting the applicant's exercise of voting power in the authorised benchmark submitter or designated benchmark submitter, as the case may be,

and the applicant must comply with such conditions.

(5) Any condition imposed under subsection (4) has effect despite any provision of the Companies Act (Cap. 50) or anything contained in the constitution of the authorised benchmark submitter or designated benchmark submitter.

(6) For the purposes of this section and section 123ZW —

(*a*) a reference to a person entering into an arrangement in relation to shares of an authorised benchmark submitter or a designated benchmark submitter, as the case may be, includes —

(i) entering into an agreement or any formal or informal scheme, arrangement or understanding, to acquire those shares;

(ii) making or publishing a statement, however expressed, that expressly or impliedly invites the holder of those shares to offer to dispose of the holder's shares to the first person;

(iii) the first person obtaining a right to acquire shares under an option, or to have shares transferred to himself or to his order, whether the right is exercisable presently or in the future and whether on fulfilment of a condition or not; and

(iv) becoming a trustee of a trust in respect of those shares;

(*b*) a person is regarded as obtaining effective control of the authorised benchmark submitter or designated benchmark submitter, as the case may be, by virtue of an arrangement if the person alone or acting together with any connected person would, if the arrangement is carried out —

(i) acquire or hold, directly or indirectly, 20% or more of the issued share capital of the authorised benchmark submitter or designated benchmark submitter, as the case may be; or

(ii) control, directly or indirectly, 20% or more of the voting power in the authorised benchmark submitter or designated benchmark submitter, as the case may be; and

(*c*) a reference to the voting power in the authorised benchmark submitter or designated benchmark submitter, as the case may be, is a reference to the total number of votes that may be cast in a general meeting of the authorised benchmark submitter or designated benchmark submitter, as the case may be.

(7) This section does not apply in relation to any designated benchmark submitter that is —

(*a*) a bank licensed under the Banking Act (Cap. 19);

(*b*) a merchant bank approved as a financial institution under section 28 of the Monetary Authority of Singapore Act (Cap. 186);

(*c*) a finance company licensed under the Finance Companies Act (Cap. 108);

(*d*) the holder of a capital markets services licence for any regulated activity;

(*e*) a licensed financial adviser under the Financial Advisers Act (Cap. 110);

(*f*) a direct insurer licensed under the Insurance Act (Cap. 142) to carry on life business;

(*g*) an insurance intermediary registered or regulated under the Insurance Act, who arranges contracts of insurance in Singapore in respect of life business only; or

(*h*) such other person or class of persons as may be prescribed by regulations made under section 123ZZA.

(8) Any person who contravenes subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 or to imprisonment for a term not exceeding 3 years or to both.

Objection to control of authorised benchmark submitter or designated benchmark submitter

123ZW.—(1) The Authority may serve a written notice of objection on —

(*a*) any person required to obtain the Authority's approval or who has obtained the approval under section 123ZV; or

(*b*) any person who, whether before, on or after the date of commencement of section 48 of the Securities and Futures (Amendment) Act 2017, either alone or together with any connected person, holds, directly or indirectly, 20% or more of the issued share capital of the authorised benchmark submitter or designated benchmark submitter, as the case may be, or controls, directly or indirectly, 20% or more of the voting power in the authorised benchmark submitter or designated benchmark submitter, as the case may be,

if the Authority is satisfied that —

(i) any condition of approval imposed on the person under section 123ZV(4) has not been complied with;

(ii) the person is not or ceases to be a fit and proper person to have effective control of the authorised benchmark submitter or designated benchmark submitter, as the case may be;

(iii) having regard to the likely influence of the person, the authorised benchmark submitter or designated benchmark submitter, as the case may be, is not able to or is no longer likely to carry on a business or activity of providing information in relation to a designated benchmark prudently and comply with the provisions of this Act and any direction made under this Act;

(iv) the person does not or ceases to satisfy such criteria as may be prescribed by regulations made under section 123ZZA;

(v) the person has furnished false or misleading information or documents in connection with an application under section 123ZV; or

(vi) the Authority would not have granted its approval under section 123ZV had the Authority been aware, at that time, of circumstances relevant to the person's application for such approval.

(2) The Authority must not serve a notice of objection on any person without giving the person an opportunity to be heard, except in the following circumstances:

(*a*) the person is in the course of being wound up or otherwise dissolved or, in the case of an individual, is an undischarged bankrupt whether in Singapore or elsewhere;

(*b*) a receiver, a receiver and manager, a judicial manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of any property of the person;

(*c*) a prohibition order under section 123ZZC has been made by the Authority, and remains in force, against the person;

(*d*) the person has been convicted, whether in Singapore or elsewhere, of any offence involving fraud or dishonesty or the conviction for which involved a finding that the person had acted fraudulently or dishonestly.

(3) Any person served with the written notice of objection must, within the period specified in the notice —

(*a*) take such steps as are necessary to ensure that the person ceases to be a party to the arrangement described in section 123ZV(2), ceases to hold 20% or more of the issued share capital of the authorised benchmark submitter or designated benchmark submitter (as the case may be) in the manner described in subsection (1)(*b*), or ceases to control 20% or more of the voting power in the authorised benchmark submitter or designated benchmark submitter (as the case may be) in the manner described in subsection (1)(*b*); and

(*b*) comply with such other requirements as the Authority may specify in the notice.

(4) This section does not apply in relation to any designated benchmark submitter that is —

(*a*) a bank licensed under the Banking Act (Cap. 19);

(*b*) a merchant bank approved as a financial institution under section 28 of the Monetary Authority of Singapore Act (Cap. 186);

(*c*) a finance company licensed under the Finance Companies Act (Cap. 108);

(*d*) the holder of a capital markets services licence for any regulated activity;

(*e*) a licensed financial adviser under the Financial Advisers Act (Cap. 110);

(*f*) a direct insurer licensed under the Insurance Act (Cap. 142) to carry on life business;

(*g*) an insurance intermediary registered or regulated under the Insurance Act, who arranges contracts of insurance in Singapore in respect of life business only; or

(*h*) such other person or class of persons as may be prescribed by regulations made under section 123ZZA.

(5) Any person who contravenes subsection (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 or to imprisonment for a term not exceeding 3 years or to both.

Appeals

123ZX. Any authorised benchmark submitter or designated benchmark submitter that is aggrieved by —

(*a*) the refusal of the Authority to grant an approval to the authorised benchmark submitter or the designated benchmark submitter to appoint a person as its chief executive officer or director; or

(*b*) the direction of the Authority to the authorised benchmark submitter or the designated benchmark submitter to remove an officer from office or employment,

may, within 30 days after it is notified of the decision of the Authority, appeal to the Minister whose decision is final.

Division 4 — Information Gathering Powers over Financial Benchmarks, Disclosure of Information and Record Keeping

Provision of information to Authority

123ZY.—(1) The Authority may, by regulations made under section 123ZZA, require a person or a class of persons whom the Authority believes on reasonable grounds is capable of giving information on or concerning any financial benchmark or any market which a financial benchmark seeks to measure to disclose to the Authority the information that the person has under the person's control or possession, in such form and manner, and within such period or periods, as may be prescribed in those regulations.

(2) The Authority may, by notice in writing to any person whom the Authority believes on reasonable grounds is capable of giving information on or concerning any financial benchmark or any market which a financial benchmark seeks to measure, require such person to disclose to the Authority the information that the person has under the person's control or possession, in such form and manner, and within such period or periods, as may be specified in the notice.

(3) Subject to subsection (5), any person to whom a notice is issued under subsection (2) must comply with the notice.

(4) Any person who contravenes subsection (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 and, in the case of a continuing offence, to a further fine not exceeding $5,000 for every day or part of a day during which the offence continues after conviction.

(5) A person referred to in subsection (1) or a person to whom a notice is issued under subsection (2) is not obliged to disclose any information where the person is prohibited by any written law from disclosing such information.

(6) Where a person claims, before furnishing the Authority with any information that he is required to furnish under subsection (1) or (2), that the information might tend to incriminate him, the information —

(*a*) is not admissible in evidence against him in criminal proceedings other than proceedings under subsection (4) or in relation to a contravention of subsection (1); but

(*b*) is admissible in evidence for civil proceedings under Part XII.

Power to require maintenance of records and submit periodic reports

123ZZ.—(1) The Authority may, by regulations made under section 123ZZA or by notice in writing, require any financial institution or class of financial institutions to —

(*a*) maintain a record of —

(i) all transactions undertaken by the financial institution in relation to one or more underlying things that are the subject of a designated benchmark; and

(ii) all transactions undertaken by the financial institution in relation to financial instruments that use a designated benchmark for reference to determine the price, value, interest payable, sums due or performance of the financial instrument,

in such form and manner as the Authority may prescribe in those regulations or specify by notice in writing, including —

(A) the extent to which the record includes details of each transaction or exposure; and

(B) the period of time that the record is to be maintained; and

(*b*) submit to the Authority such reports in such form, manner and frequency as the Authority may prescribe in those regulations or specify by notice in writing.

(2) In this section, "financial institution" means —

(*a*) a bank licensed under the Banking Act (Cap. 19);

(*b*) a merchant bank that is authorised as a financial institution under section 28 of the Monetary Authority of Singapore Act (Cap. 186);

(*c*) a finance company licensed under the Finance Companies Act (Cap. 108);

(*d*) the holder of a capital markets services licence under this Act;

(*e*) a licensed financial adviser under the Financial Advisers Act (Cap. 110);

(*f*) a company or co-operative society licensed under the Insurance Act (Cap. 142) as a direct insurer carrying on life business;

(*g*) an insurance intermediary licensed under any written law relating to insurance intermediaries if the intermediary arranges contracts of insurance in respect of life business; or

(*h*) such other person or class of persons as may be prescribed by regulations made under section 123ZZA.

(3) Any person who, without reasonable excuse, contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 and, in the case of a continuing offence, to a further fine not exceeding $5,000 for

every day or part of a day during which the offence continues after conviction.

Division 5 — General Powers

Power of Authority to make regulations

123ZZA.—(1) Without prejudice to section 341, the Authority may make regulations prescribing matters required or permitted by this Part to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to this Part.

(2) The regulations made under subsection (1) may, in particular —

(*a*) prescribe the requirements that an authorised benchmark administrator or an exempt benchmark administrator or a class of any of the foregoing persons must comply with; and

(*b*) prescribe the requirements that an authorised benchmark submitter, an exempt benchmark submitter, a designated benchmark submitter or a class of any of the foregoing persons must comply with.

(3) The regulations made under this section may provide —

(*a*) that a contravention of any specified provision of those regulations shall be an offence; and

(*b*) for a penalty not exceeding a fine of $100,000 or imprisonment for a term not exceeding 12 months or both for each offence and, in the case of a continuing offence, a further penalty not exceeding a fine of 10% of the maximum fine prescribed for that offence for every day or part of a day during which the offence continues after conviction.

Power of Authority to issue written directions

123ZZB.—(1) The Authority may, if it thinks it necessary or expedient, in the interests of a class, or classes, of users of a

designated benchmark, or in the interests of the public or a section of the public, issue written directions, either of a general or specific nature, to any of the following persons or class of persons, requiring such person or class of persons to comply with such requirements as the Authority may specify in the written directions:

(*a*) an authorised benchmark administrator;

(*b*) an exempt benchmark administrator;

(*c*) an authorised benchmark submitter;

(*d*) an exempt benchmark submitter;

(*e*) a designated benchmark submitter;

(*f*) a representative of any authorised benchmark administrator, exempt benchmark administrator, authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter;

(*g*) a class of any of the persons mentioned in paragraphs (*a*) to (*f*).

(2) Without prejudice to the generality of subsection (1), any written direction may be issued with respect to —

(*a*) the standards to be maintained by the person concerned in carrying out the activity of administering a designated benchmark, or the activity of providing information in relation to a designated benchmark;

(*b*) the type and frequency of submission of financial returns and other information to be submitted to the Authority; and

(*c*) the qualifications, experience and training of representatives,

and the person to whom such direction is issued must comply with the direction.

(3) Any person who contravenes any of the directions issued under subsection (1) shall be guilty of an offence and shall be

liable on conviction to a fine not exceeding $50,000 and, in the case of a continuing offence, to a further fine of $5,000 for every day or part of a day during which the offence continues after conviction.

(4) It is not necessary to publish any direction issued under subsection (1) in the *Gazette*.

Power of Authority to make prohibition orders

123ZZC.—(1) The Authority may, by notice in writing, make a prohibition order against a relevant person if —

(*a*) the Authority cancels or revokes the authorisation of the relevant person as an authorised benchmark administrator;

(*b*) where the relevant person is exempt from the requirement to be authorised as an authorised benchmark administrator under section 123K(1), the Authority has reason to believe that circumstances exist under which, if the person were an authorised benchmark administrator, there would exist a ground on which the Authority may revoke its authorisation under section 123J;

(*c*) the Authority suspends or revokes the authorisation of the relevant person as an authorised benchmark submitter;

(*d*) where the relevant person is exempt from the requirement to be authorised as an authorised benchmark submitter under section 123ZH(1), the Authority has reason to believe that circumstances exist under which, if the relevant person were an authorised benchmark submitter, there would exist a ground on which the Authority may suspend or revoke its authorisation under section 123ZG;

(*e*) the Authority has reason to believe that the relevant person is contravening, is likely to contravene or has contravened —

(i) any provision of this Act;

(ii) any condition or restriction imposed by the Authority under this Act; or

(iii) any written direction issued by the Authority under this Act;

(*f*) the relevant person has been convicted of an offence under this Act or has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty or the conviction for which involved a finding that the person acted fraudulently or dishonestly;

(*g*) the relevant person has an order for the payment of a civil penalty made against the person by a court under Part XII or has entered into an agreement with the Authority to pay a civil penalty under that Part;

(*h*) the relevant person has been convicted of an offence involving the contravention of any law or requirement of a foreign country or territory relating to the activity of administering a designated benchmark, or providing information in relation to a designated benchmark;

(*i*) the relevant person has been removed at the direction of the Authority from office or employment as an officer of the authorised benchmark administrator under section 123Y(2); or

(*j*) the relevant person has been removed at the direction of the Authority from office or employment as an officer of an authorised benchmark submitter or a designated benchmark submitter under section 123ZU(2).

(2) In subsection (1), "relevant person" means —

(*a*) an authorised benchmark administrator or a person who was previously an authorised benchmark administrator;

(*b*) a person that is exempt from the requirement to be authorised as an authorised benchmark administrator under section 123K(1) or a person who was previously so exempt;

(*c*) an authorised benchmark submitter or a person who was previously an authorised benchmark submitter;

(*d*) a person that is exempt from the requirement to be authorised as an authorised benchmark submitter under section 123ZH(1) or a person who was previously so exempt;

(*e*) a representative of an authorised benchmark administrator or a person that is exempt from the requirement to be authorised as an authorised benchmark administrator under section 123K(1), or a person who was previously such a representative;

(*f*) a representative of an authorised benchmark submitter, a person that is exempt from the requirement to be authorised as an authorised benchmark submitter under section 123ZH(1), or a designated benchmark submitter, or a person who was previously such a representative;

(*g*) an officer of an authorised benchmark administrator or a person that is exempt from the requirement to be authorised as an authorised benchmark administrator under section 123K(1), or a person who was previously such an officer;

(*h*) an officer of an authorised benchmark submitter, a person that is exempt from the requirement to be authorised as an authorised benchmark submitter under section 123ZH(1), or a designated benchmark submitter, or a person who was previously such an officer;

(*i*) a person from whom any information or expression of opinion used in the determination of a designated benchmark was obtained; or

(*j*) a person who has been convicted of an offence under this Part.

(3) A prohibition order made under subsection (1) may do one or more of the following:

(*a*) prohibit the person, whether permanently or for a specified period, from —

(i) carrying on a business of administering a designated benchmark, or performing the activity of administering a designated benchmark in specified circumstances or capacities;

(ii) carrying on a business or activity of providing information in relation to a designated benchmark or performing the activity of providing information in relation to a designated benchmark in specified circumstances or capacities;

(iii) taking part, directly or indirectly, in the management of, acting as a director of, or becoming a substantial shareholder of —

(A) an authorised benchmark administrator;

(B) an exempt benchmark administrator;

(C) an authorised benchmark submitter;

(D) an exempt benchmark submitter; or

(E) a designated benchmark submitter;

(*b*) include a provision allowing the person, subject to any condition specified in the order —

(i) to do specified acts; or

(ii) to do specified acts in specified circumstances,

that the order would otherwise prohibit him from doing.

(4) The Authority must not make a prohibition order against a person without giving the person an opportunity to be heard.

(5) Any person who is aggrieved by the decision of the Authority to make a prohibition order against the person may, within 30 days of the decision, appeal in writing to the Minister.

(6) The Authority must keep, in such form as it thinks fit, records on persons against whom prohibition orders are made under this section.

(7) The Authority may publish the records mentioned in subsection (6), or any part of them, in such manner as the Authority considers appropriate.

Effect of prohibition orders

123ZZD.—(1) A person against whom a prohibition order is made must comply with the prohibition order.

(2) Where a prohibition order is made against a person and notified to an authorised benchmark administrator or an exempt benchmark administrator, the authorised benchmark administrator or exempt benchmark administrator (as the case may be), must not employ the firstmentioned person to carry out the activity, or in connection with the activity, of administering a designated benchmark, or use the firstmentioned person's service, information or expressions of opinion, to the extent that this is prohibited by the order.

(3) Where a prohibition order is made against a person and notified to an authorised benchmark submitter, an exempt benchmark submitter or a designated benchmark submitter, the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter (as the case may be) must not employ the firstmentioned person to carry out the activity, or in connection with the activity, of providing information in relation to a designated benchmark, use the firstmentioned person's service, or pass on the firstmentioned person's information or expressions of opinion, to the extent that this is prohibited by the order.

(4) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 or to imprisonment for a term not exceeding 2 years or to both.

(5) Any person who contravenes subsection (2) or (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000.

Variation or revocation of prohibition orders

123ZZE.—(1) The Authority may vary or revoke a prohibition order, by giving written notice to the person against whom the order was made, if the Authority is satisfied that it is appropriate to do so because of a change in any of the circumstances based on which the Authority made the order.

(2) The Authority may vary or revoke a prohibition order under subsection (1) —

(*a*) on its own initiative; or

(*b*) if the person against whom the order was made lodges with the Authority an application for the Authority to do so, accompanied by such documents and fee as may be prescribed by regulations made under section 123ZZA.

(3) The Authority must not vary a prohibition order made against a person under subsection (2)(*a*) without giving the person an opportunity to be heard.

(4) Any person who is aggrieved by the decision of the Authority to vary a prohibition order made against him under subsection (2)(*a*) may, within 30 days of the decision, appeal in writing to the Minister.

Date and effect of prohibition orders

123ZZF.—(1) A prohibition order, or any variation or revocation of a prohibition order, takes effect on the date specified in the order by the Authority, being a date not earlier

than the date on which the order, or variation or revocation, is made.

(2) A prohibition order does not operate so as to —

(*a*) avoid or affect any agreement, transaction or arrangement entered into by the person against whom the order is made, whether the agreement, transaction or arrangement was entered into before, on or after the issue of the prohibition order; or

(*b*) affect any right, obligation or liability arising under any such agreement, transaction or arrangement.".

Amendment of section 124

49. Section 124 of the principal Act is amended —

(*a*) by deleting the definition of "bank in Singapore";

(*b*) by deleting paragraph (*a*) of the definition of "specified person" and substituting the following paragraph:

"(*a*) any bank that is licensed under the Banking Act (Cap. 19);"; and

(*c*) by deleting paragraph (*f*) of the definition of "specified person".

Amendment of section 125

50. Section 125 of the principal Act is amended —

(*a*) by deleting the words "enters into" in subsection (2) and substituting the words "executes or causes to be executed";

(*b*) by deleting paragraphs (*b*) and (*c*) of subsection (3); and

(*c*) by deleting subsections (4), (5) and (6) and substituting the following subsections:

"(4) A specified person who is required to comply with subsection (1) or (2) in relation to any information on a specified derivatives contract (including any amendment, modification, variation or change to that information) is treated to have

reported that information to a licensed trade repository or licensed foreign trade repository, if —

(*a*) any other person has, with the consent or authority of the specified person, reported that information, in such form or manner prescribed by regulations made under section 129, to that licensed trade repository or licensed foreign trade repository; and

(*b*) that information is true and correct and has been received by that licensed trade repository or licensed foreign trade repository.

(5) A specified person who is treated under subsection (4) to have reported any information on a specified derivatives contract (including any amendment, modification, variation or change to that information) to a licensed trade repository or licensed foreign trade repository, is treated to have so reported that information at the time that information is received by that licensed trade repository or licensed foreign trade repository.

(6) A specified person who —

(*a*) complies with subsection (1) or (2);

(*b*) consents to or authorises the reporting of any information in connection with subsection (4); or

(*c*) discloses any information in compliance with the foreign reporting obligations of such jurisdiction as may be prescribed by regulations made under section 129,

is not to be treated as being in breach of any restriction upon the disclosure of information imposed by written law, any rule of law, any contract or otherwise.".

Amendment of section 126

51. Section 126 of the principal Act is amended by deleting subsection (4) and substituting the following subsection:

"(4) A person who complies with a requirement imposed under subsection (1) is not to be treated as being in breach of any restriction upon the disclosure of information imposed by written law, any rule of law, any contract or otherwise.".

Amendment of section 127

52. Section 127(3) of the principal Act is amended by deleting the words "shall be deemed" and substituting the words "is treated".

Amendment of section 128

53. Section 128 of the principal Act is amended —

(*a*) by deleting the words "shall be deemed" in subsection (1) and substituting the words "is treated"; and

(*b*) by deleting the words "enters into a specified derivatives contract as an agent of a party to the specified derivatives contract (referred to in this subsection as the principal party) shall be deemed" in subsection (2) and substituting the words "executes or causes to be executed a specified derivatives contract as an agent of a party to the specified derivatives contract (called in this subsection the principal party) is treated".

Amendment of section 129A

54. Section 129A of the principal Act is amended —

(*a*) by deleting the words "Without prejudice to section 337(3) and (4), the" in subsection (2) and substituting the word "The"; and

(*b*) by inserting, immediately after subsection (4), the following subsection:

"(4A) The Authority may at any time add to, vary or revoke any condition or restriction imposed under this section.".

Amendment of section 129B

55. Section 129B of the principal Act is amended —

(*a*) by deleting the definition of "bank in Singapore";

(*b*) by deleting paragraph (*a*) of the definition of "specified person" and substituting the following paragraph:

"(*a*) any bank that is licensed under the Banking Act (Cap. 19);"; and

(*c*) by deleting paragraph (*e*) of the definition of "specified person".

Amendment of section 129D

56. Section 129D of the principal Act is amended by deleting subsection (4) and substituting the following subsection:

"(4) A person who complies with a requirement imposed under subsection (1) is not to be treated as being in breach of any restriction upon the disclosure of information imposed by written law, any rule of law, any contract or otherwise.".

Amendment of section 129E

57. Section 129E of the principal Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsection:

"(1) Where the Authority is of the opinion that any clearing facility operated by any approved clearing house or recognised clearing house is not available for the clearing of, or is incapable of clearing, any specified derivatives contract or any class of specified derivatives contracts under section 129C(1), the Authority may issue directions, whether of a general or specific nature, by notice in writing, to any specified person who is a party to that specified derivatives contract, or any class of specified persons who are parties to that class of specified derivatives contracts, requiring the specified person or

class of specified persons to cause that specified derivatives contract or that class of specified derivatives contracts to undergo clearing in the manner and within the time specified by the Authority in that notice."; and

(*b*) by deleting the words "shall be deemed" in subsection (3) and substituting the words "is treated".

Amendment of section 129F

58. Section 129F(1) of the principal Act is amended by deleting the words "shall be deemed" and substituting the words "is treated".

Amendment of section 129H

59. Section 129H of the principal Act is amended —

(*a*) by deleting the words "Without prejudice to section 337(3) and (4), the" in subsection (2) and substituting the word "The"; and

(*b*) by inserting, immediately after subsection (4), the following subsection:

"(4A) The Authority may at any time add to, vary or revoke any condition or restriction imposed under this section.".

New Part VIC

60. The principal Act is amended by inserting, immediately after section 129H, the following Part:

"PART VIC

TRADING OF DERIVATIVES CONTRACTS

Interpretation of this Part

129I. In this Part, unless the context otherwise requires —

"specified derivatives contract" means any derivatives contract that is, or that belongs to a class of derivatives contracts that is, prescribed by regulations made under section 129N for the purposes of this definition;

"specified person" means —

(*a*) any bank that is licensed under the Banking Act (Cap. 19);

(*b*) any merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186);

(*c*) any finance company licensed under the Finance Companies Act (Cap. 108);

(*d*) any insurer licensed under the Insurance Act (Cap. 142);

(*e*) any holder of a capital markets services licence; or

(*f*) any other person who is, or who belongs to a class of persons which is, prescribed by regulations made under section 129N.

Trading of specified derivatives contracts

129J.—(1) Every specified person who executes a specified derivatives contract must do so —

(*a*) on an organised market operated by an approved exchange or a recognised market operator, or on or through any other facility prescribed by regulations made under section 129N; and

(*b*) in the form and manner prescribed by regulations made under that section.

(2) Any specified person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000.

(3) A failure to comply with subsection (1) does not of itself render the specified derivatives contract that is executed voidable or void.

Power of Authority to obtain information

129K.—(1) The Authority may require any person to furnish the Authority with such information or documents as the Authority considers necessary for determining —

(*a*) whether any derivatives contract or class of derivatives contracts should be prescribed for the purposes of the definition of "specified derivatives contract" in section 129I;

(*b*) whether the person or any other person or class of persons should be prescribed for the purposes of paragraph (*f*) of the definition of "specified person" in section 129I; or

(*c*) whether the purpose or effect of any contract, arrangement, transaction or class of contracts, arrangements or transactions is to avoid, directly or indirectly, any requirement that is, or that would otherwise have been, imposed under section 129J(1).

(2) Subject to subsections (4) and (5), a person must comply with every requirement imposed on him under subsection (1).

(3) Any person who contravenes subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 and, in the case of a continuing offence, to a further fine not exceeding $5,000 for every day or part of a day during which the offence continues after conviction.

(4) A person who complies with a requirement imposed under subsection (1) is not to be treated as being in breach of any restriction upon the disclosure of information imposed by written law, any rule of law, any contract or otherwise.

(5) Nothing in this section compels an advocate and solicitor, or a legal counsel referred to in section 128A of the Evidence Act (Cap. 97), to furnish any information on, or any document containing, any privileged communication made by or to him in that capacity.

(6) Where a person claims, before furnishing the Authority with any information or documents that the person is required to furnish under subsection (1)(*c*), that the information or documents might tend to incriminate him, the information or documents —

(*a*) are not admissible in evidence against the person in criminal proceedings other than proceedings under subsection (3); but

(*b*) are admissible in evidence for civil proceedings under Part XII.

Directions on alternative trading arrangements

129L.—(1) Where the Authority is of the opinion that any organised market operated by any approved exchange or recognised market operator or any other facility prescribed for the purposes of section 129J(1) is not available for the execution of, or is incapable of executing, any specified derivatives contract under section 129J(1), the Authority may issue directions, whether of a general or specific nature, by notice in writing, to any specified person or to any class of such persons, requiring the specified person or class of such persons to, when executing any such specified derivatives contract, comply with the requirements specified in the notice relating to the form and manner in which the contract must be executed, and the time within which the contract must be executed.

(2) A specified person mentioned in subsection (1) must comply with every direction issued to him under that subsection.

(3) A specified person is treated to have complied with section 129J(1) in relation to a specified derivatives contract if, while a direction issued to him under subsection (1) remains in force, the specified person executes that specified derivatives contract in the form and manner and within the time specified by the Authority in that direction.

(4) The Authority may cancel a direction issued under subsection (1) if the Authority is of the opinion that the grounds for the issue of the direction have ceased to apply.

(5) Any specified person who, without reasonable excuse, contravenes a direction issued to him under subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000.

(6) It is not necessary to publish any direction issued under subsection (1) in the *Gazette*.

Compliance with laws and practices of relevant trading jurisdiction

129M.—(1) Subject to subsection (2), a specified person is treated as having complied with section 129J(1) in relation to the specified derivatives contract if the specified person is required to comply with, and has complied with, in relation to the specified derivatives contract, the requirements relating to the execution of specified derivatives contracts under the laws and practices of the relevant trading jurisdiction.

(2) Subsection (1) does not apply to any specified derivatives contract or any class of specified derivatives contracts prescribed by regulations made under section 129N.

(3) In this section, "relevant trading jurisdiction" means a foreign jurisdiction that is prescribed by regulations made under section 129N.

Power of Authority to make regulations

129N.—(1) Without prejudice to section 341, the Authority may make regulations for the purposes of this Part.

(2) In deciding whether to prescribe any derivatives contract or class of derivatives contracts for the purposes of the definition of "specified derivatives contract" in section 129I, the Authority may have regard to —

(*a*) the level of systemic risk posed by that derivatives contract or class of derivatives contracts;

(*b*) the characteristics and level of standardisation of the contractual terms and operational processes relating to

that derivatives contract or class of derivatives contracts;

(*c*) the depth and liquidity of the market for that derivatives contract or class of derivatives contracts;

(*d*) the international regulatory approach towards that derivatives contract or class of derivatives contracts;

(*e*) the types of persons that transact in that derivatives contract or class of derivatives contracts, and the purposes of transacting in that derivatives contract or class of derivatives contracts;

(*f*) the availability of approved exchanges or recognised market operators that operate organised markets, and the availability of facilities prescribed pursuant to section 129J(1), for the trading of that derivatives contract or class of derivatives contracts;

(*g*) whether there is any anti-competitive effect associated with that derivatives contract or class of derivatives contracts; and

(*h*) any other matter that the Authority considers to be relevant.

Exemption from section 129J

129O.—(1) Despite section 337(1), the Authority may, by regulations made under section 129N, exempt any specified person or class of specified persons from section 129J, subject to such conditions or restrictions as the Authority may prescribe in those regulations.

(2) The Authority may, by notice in writing, exempt any specified person from section 129J, subject to such conditions or restrictions as the Authority may specify by notice in writing.

(3) It is not necessary to publish any exemption granted under subsection (2) in the *Gazette*.

(4) Every specified person that is exempted under subsection (1) or (2) must satisfy every condition or restriction imposed on the specified person under the applicable subsection.

(5) The Authority may at any time add to, vary or revoke any condition or restriction imposed under this section.

(6) Any person who contravenes subsection (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000 and, in the case of a continuing offence, to a further fine not exceeding $10,000 for every day or part of a day during which the offence continues after conviction.".

Amendment of section 130

61. Section 130 of the principal Act is amended —

(*a*) by deleting the words "a securities exchange" wherever they appear in subsection (2) and substituting in each case the words "an approved exchange"; and

(*b*) by inserting, immediately after the word "securities" in subsection (5), the words "or securities-based derivatives contracts".

Amendment of section 132

62. Section 132 of the principal Act is amended by deleting paragraph (*a*) and substituting the following paragraphs:

"(*a*) to any person or class of persons, other than the persons to which this Division applies;

(*aa*) to any securities or securities-based derivatives contracts, or class of securities or securities-based derivatives contracts, other than the securities or securities-based derivatives contracts to which this Division applies;

(*ab*) to any interests in securities or securities-based derivatives contracts, or class of interests in securities or securities-based derivatives contracts, other than the interests in securities or securities-based derivatives contracts to which this Division applies;".

Amendment of section 133

63. Section 133 of the principal Act is amended —

(*a*) by inserting, immediately after the word "securities" in subsection (1)(*f*), the words "or securities-based derivatives contracts";

(*b*) by deleting the words "or other securities" in subsection (3)(*b*)(ii)(B) and substituting the words ", other securities or securities-based derivatives contracts";

(*c*) by inserting, immediately after the word "securities" wherever it appears in subsection (4)(*a*), the words "or securities-based derivatives contracts"; and

(*d*) by deleting paragraph (*b*) of subsection (5) and substituting the following paragraph:

"(*b*) a reference to a person who holds or acquires participatory interests, other securities or securities-based derivatives contracts referred to in subsection (1), or an interest in shares, debentures, participatory interests, other securities or securities-based derivatives contracts referred to in that subsection, includes a reference to a person who under an option holds or acquires a right to acquire or dispose of the participatory interests, securities or securities-based derivatives contracts, or the interest in shares, debentures, participatory interests, securities or securities-based derivatives contracts.".

Amendment of section 137G

64. Section 137G(1) of the principal Act is amended by deleting the words "securities market operated by the securities exchange" and substituting the words "organised market operated by the approved exchange".

Amendment of section 137H

65. Section 137H of the principal Act is amended —

(*a*) by deleting the words "a securities exchange" in subsections (2) and (3) and substituting in each case the words "an approved exchange"; and

(*b*) by inserting, immediately after the word "securities" in subsection (4), the words "or securities-based derivatives contracts".

New section 137IA

66. The principal Act is amended by inserting, immediately after section 137I, the following section:

"**Authority may extend scope of Division in certain circumstances**

137IA. The Authority may, if it thinks it is necessary in the interests of the public or a section of the public, to protect investors, or to enhance market transparency, by regulations extend, with or without modifications or adaptations, the provisions of this Division —

(*a*) to any person or class of persons, other than the persons to which this Division applies;

(*b*) to any securities or securities-based derivatives contracts, or class of securities or securities-based derivatives contracts, other than the securities or securities-based derivatives contracts to which this Division applies;

(*c*) to any interests in securities or securities-based derivatives contracts, or class of interests in securities or securities-based derivatives contracts, other than the interests in securities or securities-based derivatives contracts to which this Division applies;

(*d*) to require the disclosure of interests in any entity, arrangement or trust other than a business trust or a trustee-manager of a business trust,

and the provisions of this Division apply accordingly.".

Amendment of section 137N

67. Section 137N of the principal Act is amended —

(*a*) by inserting, immediately after the word "securities" in subsection (1)(*c*), the words "or securities-based derivatives contracts";

(*b*) by deleting the words "or other securities" in subsection (2)(*b*)(ii)(B) and substituting the words ", other securities or securities-based derivatives contracts"; and

(*c*) by inserting, immediately after the word "securities" wherever it appears in subsection (3), the words "or securities-based derivatives contracts".

Amendment of section 137R

68. Section 137R(1) of the principal Act is amended —

(*a*) by deleting the word "or" at the end of paragraph (*a*);

(*b*) by inserting, immediately after paragraph (*a*), the following paragraph:

"(*aa*) acquires or disposes of interests in such securities or securities-based derivatives contracts of the business trust as may be prescribed by regulations made under section 341; or"; and

(*c*) by deleting the words "securities market operated by the securities exchange" and substituting the words "organised market operated by the approved exchange".

Amendment of section 137S

69. Section 137S of the principal Act is amended —

(*a*) by deleting the words "a securities exchange" in the definition of "real estate investment trust" in subsection (2) and substituting the words "an approved exchange"; and

(*b*) by inserting, immediately after the word "securities" in subsection (3), the words ", securities-based derivatives contracts or units in a collective investment scheme".

New section 137TA

70. The principal Act is amended by inserting, immediately after section 137T, the following section:

"**Authority may extend scope of Division in certain circumstances**

137TA. The Authority may, if it thinks it is necessary in the interests of the public or a section of the public, to protect investors, or to enhance market transparency, by regulations extend, with or without modifications or adaptations, the provisions of this Division —

(*a*) to any person or class of persons, other than the persons to which this Division applies;

(*b*) to any securities, securities-based derivatives contracts or units in a collective investment scheme, or class of securities, securities-based derivatives contracts or units in a collective investment scheme, other than the securities, securities-based derivatives contracts or units in a collective investment scheme to which this Division applies;

(*c*) to any interests in securities, securities-based derivatives contracts or units in a collective investment scheme, or class of interests in securities, securities-based derivatives contracts or units in a collective investment scheme, other than the interests in securities, securities-based derivatives contracts or units in a collective investment scheme to which this Division applies;

(*d*) to require the disclosure of interests in any entity, arrangement or trust other than a real estate investment trust or a responsible person for a real estate investment trust,

and the provisions of this Division apply accordingly.".

Amendment of section 137Y

71. Section 137Y of the principal Act is amended —

(*a*) by inserting, immediately after the word "securities," in subsection (1)(*c*), the words "securities-based derivatives contracts or units in a collective investment scheme";

(*b*) by deleting the words "or other securities" in subsection (2)(*b*)(ii)(B) and substituting the words ", other securities, securities-based derivatives contracts or units in a collective investment scheme"; and

(*c*) by inserting, immediately after the word "securities" wherever it appears in subsection (3), the words ", securities-based derivatives contracts or units in a collective investment scheme".

Amendment of section 137ZC

72. Section 137ZC(1) of the principal Act is amended —

(*a*) by deleting the word "or" at the end of paragraph (*a*);

(*b*) by inserting, immediately after paragraph (*a*), the following paragraph:

"(*aa*) acquires or disposes of interests in such securities, securities-based derivatives contracts or units in a collective investment scheme of the real estate investment trust as may be prescribed by regulations made under section 341; or"; and

(*c*) by deleting the words "securities market operated by the securities exchange" and substituting the words "organised market operated by the approved exchange".

Amendment of section 137ZD

73. Section 137ZD of the principal Act is amended by deleting the words "shall be payable to the Authority" in subsection (5) and

substituting the words "is to be paid into the Consolidated Fund and is to be treated as a debt due to the Government for the purposes of section 10 of the Government Proceedings Act (Cap. 121)".

New Part VIIA

74. The principal Act is amended by inserting, immediately after section 137ZG, the following Part:

"PART VIIA

SHORT SELLING

Interpretation of this Part

137ZH.—(1) In this Part, unless the context otherwise requires —

"securities lending arrangement" means an arrangement in writing where a person (called in this Part the lender) who has an interest in specified capital markets products is to transfer title to some or all of the specified capital markets products to another person (called in this Part the borrower) for an agreed period of time, after which the borrower is to transfer title to those specified capital markets products back to the lender;

"short position" means the amount by which the quantity, volume or value of any specified capital markets products in which a person has an interest is less than the quantity, volume or value of the specified capital markets products which the person is under an obligation to deliver, where the quantity, volume or value of any specified capital markets products is determined in accordance with the criteria, methods or formulae prescribed by regulations made under section 137ZM;

"short sell order" means an order to sell any specified capital markets products where the person who makes the order does not, at the time of the order, have an interest in the specified capital markets products;

"specified capital markets products" means any capital markets products listed or to be listed on an approved

exchange that is, or that belongs to a class of capital markets products that is, prescribed by regulations made under section 137ZM.

(2) In this Part and subject to subsection (3), a person has an interest in specified capital markets products if —

(*a*) the person is the legal owner of the specified capital markets products;

(*b*) the person is the beneficial owner of the specified capital markets products;

(*c*) the person has authority (whether formal or informal, or express or implied) to dispose of the specified capital markets products;

(*d*) the person —

(i) has purchased or entered into an unconditional agreement or arrangement to purchase the specified capital markets products, but has not received delivery of the specified capital markets products;

(ii) has tendered the specified capital markets products for conversion or exchange, or has issued irrevocable instructions to convert or exchange capital markets products into the specified capital markets products, but has not received delivery of the specified capital markets products;

(iii) has exercised an option to subscribe for the specified capital markets products, but has not received delivery of the specified capital markets products; or

(iv) has exercised a right under a warrant to subscribe for the specified capital markets products, but has not received delivery of the specified capital markets products,

and, under the agreement, arrangement, conversion, exchange, option or right (referred to in sub-paragraphs (i) to (iv)), the person is to receive delivery of the specified capital markets products before the time that the person is to deliver the specified capital markets products;

(*e*) the person —

(i) is the lender in a securities lending arrangement;

(ii) has transferred title to the specified capital markets products to the borrower in the securities lending arrangement; and

(iii) is to receive title from the borrower in the securities lending arrangement to the specified capital markets products before the time that the person is to deliver the specified capital markets products; or

(*f*) the person is a party to an agreement or arrangement that is, or that belongs to a class of agreements or arrangements that is, prescribed by regulations made under section 137ZM for the purposes of this paragraph.

(3) Despite subsection (2), a person does not have an interest in specified capital markets products if —

(*a*) the person is a borrower under a securities lending arrangement and has obtained title to the specified capital markets products pursuant to the securities lending arrangement;

(*b*) the person is the legal owner or the beneficial owner of the specified capital markets products but has sold, or entered into an unconditional agreement or arrangement to sell, the specified capital markets products; or

(*c*) the person is the legal owner or the beneficial owner of the specified capital markets products, or has authority

to dispose of the specified capital markets products, but is a party to an agreement or arrangement that is, or that belongs to a class of agreements or arrangements that is, prescribed by regulations made under section 137ZM for the purposes of this paragraph.

(4) In the definition of "short position" in subsection (1), the following are the specified capital markets products which a person is under an obligation to deliver:

(*a*) the specified capital markets products in respect of which the person has an obligation to deliver under a sale agreement, but has not delivered;

(*b*) the specified capital markets products in respect of which the person has an obligation to vest title in a lender under a securities lending arrangement, but has not vested title;

(*c*) the specified capital markets products in respect of which the person has any other non-contingent legal obligation to deliver, but has not delivered.

Persons obliged to comply with this Part and power of Authority to grant exemptions or extensions

137ZI.—(1) The obligation to comply with this Part extends to all natural persons, whether resident in Singapore or not and whether citizens of Singapore or not, and to all entities, whether formed, constituted or carrying on business in Singapore or not.

(2) This Part extends to acts done or omitted to be done outside Singapore.

(3) Despite section 337(1), the Authority may by regulations made under section 137ZM exempt any person or class of persons from all or any provisions of this Part, subject to such conditions or restrictions as the Authority may prescribe in those regulations.

(4) The Authority may, by notice in writing, exempt any person or class of persons from all or any provisions of this Part, subject

to such conditions or restrictions as the Authority may specify in writing.

(5) It is not necessary to publish any exemption granted under subsection (4) in the *Gazette*.

(6) Any person that is exempted under subsection (3) or (4) must satisfy every condition or restriction imposed on the person under the applicable subsection.

(7) The Authority may at any time add to, vary or revoke any condition or restriction imposed under this section.

(8) Any person who contravenes subsection (6) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $25,000 and, in the case of a continuing offence, to a further fine not exceeding $2,500 for every day or part of a day during which the offence continues after conviction.

Disclosure of short sell orders

137ZJ.—(1) Subject to subsection (2), a person (*A*) who makes a short sell order on any approved exchange must, before or at the time of the short sell order, disclose to the approved exchange —

(*a*) that *A* intends to make or is making a short sell order; and

(*b*) the quantity, volume or value of the specified capital markets products in relation to which *A* intends to make or is making an order to sell but in which *A* does not have an interest.

(2) Where another person (*B*) places the short sell order mentioned in subsection (1) on *A*'s behalf, *A* need not comply with subsection (1) if, before or at the time of the short sell order, *A* discloses to *B* —

(*a*) that *A* intends to make or is making a short sell order; and

(*b*) the quantity, volume or value of the specified capital markets products in relation to which *A* intends to

make or is making an order to sell but in which *A* does not have an interest.

(3) Where *A* has made the disclosure mentioned in subsection (2) to *B*, *B* must, before or at the time of the short sell order, disclose to the approved exchange —

(*a*) that *A* intends to make or is making a short sell order; and

(*b*) the quantity, volume or value of the specified capital markets products in relation to which *A* intends to make or is making an order to sell but in which *A* does not have an interest.

(4) Any person who contravenes subsection (1) or (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $25,000.

Reporting of short position

137ZK.—(1) Where a person's (*A*) short position in relation to any specified capital markets products is equivalent to or more than the short position threshold prescribed by regulations made under section 137ZM, *A* must, at the time or times and in the form and manner prescribed by regulations made under section 137ZM, report to the Authority directly or through another person (*B*) —

(*a*) information on —

(i) the identity and business activities of *A* and (if applicable) *B*; and

(ii) *A*'s short position in relation to the specified capital markets products,

prescribed by regulations made under section 137ZM; and

(*b*) any change to the information mentioned in paragraph (*a*).

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not

exceeding $25,000 and, in the case of a continuing offence, to a further fine not exceeding $2,500 for every day or part of a day during which the offence continues after conviction.

Power of Authority to publish information

137ZL. Without prejudice to section 322, the Authority may, for the purpose of maintaining a fair, orderly or transparent market, publish in any form or manner the information or any part of the information reported to the Authority under section 137ZK(1).

Power of Authority to make regulations

137ZM. Without prejudice to section 341, the Authority may make regulations for the purposes of this Part, including regulations to prescribe anything which may be prescribed under this Part.".

Amendment of Subdivision (1) heading of Division 1 of Part IX

75. Division 1 of Part IX of the principal Act is amended by deleting the words "*securities and futures contracts*" in the heading of Subdivision (1) and substituting the words "*capital markets products*".

Amendment of section 142

76. Section 142 of the principal Act is amended —

(*a*) by deleting the words "deal in securities or trade in futures contracts" in subsection (1) and substituting the words "deal in capital markets products";

(*b*) by deleting the words "any of those activities" in subsection (1) and substituting the words "such activity";

(*c*) by deleting the words "securities or futures contracts" wherever they appear in subsection (1) and substituting in each case the words "capital markets products";

(*d*) by deleting the words "securities or futures contracts to disclose to the Authority whether he acquired, held or disposed of those securities or futures contracts, as the case

may be," in subsection (2) and substituting the words "capital markets products to disclose to the Authority whether he acquired, held or disposed of those capital markets products, as the case may be,";

(*e*) by deleting subsections (3) and (4) and substituting the following subsections:

"(3) The Authority may require an approved exchange to disclose to the Authority, in relation to an acquisition or disposal of capital markets products on the organised market of that approved exchange, the names of the members of that approved exchange who acted in the acquisition or disposal.

(4) The Authority may require an approved clearing house or a recognised clearing house for an organised market to disclose to the Authority, in relation to any dealing in capital markets products on that organised market, the names of the members of the approved clearing house or recognised clearing house who were concerned in any act or omission in relation to the dealing."; and

(*f*) by deleting the words "securities or futures contracts, etc." in the section heading and substituting the words "capital markets products".

Repeal and re-enactment of sections 143 and 144

77. Sections 143 and 144 of the principal Act are repealed and the following sections substituted therefor:

"**Exercise of certain powers in relation to capital markets products and financial instruments**

143.—(1) This section applies where the Authority considers that —

(*a*) it may be necessary to prohibit trading in securities or securities-based derivatives contracts or units in a collective investment scheme under section 46;

(*b*) it may be necessary to give a direction or take any action under section 46AA or 81S in relation to any capital markets products or financial instruments;

(*c*) a person may have contravened any of the provisions of Part VII in relation to any capital markets products; or

(*d*) a person may have contravened any of the provisions of Part XII in relation to any capital markets products or financial instruments.

(2) The Authority may require an officer of an entity or trust, the securities, securities-based derivatives contracts and units in a collective investment scheme of which are mentioned in subsection (1), to disclose to the Authority any information of which he is aware and which may have affected any dealing or trading that has taken place, or which may affect any dealing or trading that may take place, in the securities, securities-based derivatives contracts and units in a collective investment scheme.

(3) Where the Authority believes on reasonable grounds that a person is capable of giving information concerning any of the following matters:

(*a*) any dealing in capital markets products mentioned in subsection (1);

(*b*) any advice given, or any report or analysis issued or published concerning such capital markets products, by the holder of a capital markets services licence to deal in capital markets products, or a representative of such a holder;

(*c*) the financial position of any business carried on by a person who is or has been (either alone or together with another person or other persons) the holder of a capital markets services licence to deal in capital markets products and who has dealt in or given advice or issued or published a report or an analysis concerning such capital markets products;

(*d*) the financial position of any business carried on by a nominee controlled by a person mentioned in paragraph (*c*) or jointly controlled by 2 or more persons at least one of whom is a person mentioned in that paragraph; or

(*e*) an audit of, or any report of an auditor concerning, any book of the holder of a capital markets services licence to deal in capital markets products, being a book relating to dealings in such capital markets products,

the Authority may require the person to disclose to the Authority the information that the person has about that matter.

Exercise of certain powers in relation to financial benchmarks

144.—(1) This section applies where the Authority considers that —

(*a*) it may be necessary to give a direction in relation to any designated benchmark under section 123ZZB; or

(*b*) a person may have contravened any of the provisions of Part XII in relation to a financial benchmark.

(2) Where the Authority believes on reasonable grounds that a person is capable of giving information concerning any of the following matters:

(*a*) the activity of administering a financial benchmark;

(*b*) the activity of providing information in relation to a financial benchmark;

(*c*) the financial position of any authorised benchmark administrator, exempt benchmark administrator, authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter;

(*d*) the financial position of any business carried on by a nominee controlled by a person mentioned in paragraph (*c*) or jointly controlled by 2 or more

persons, at least one of whom is a person mentioned in that paragraph;

(*e*) an audit of, or any report of an auditor concerning, any book of any authorised benchmark administrator, exempt benchmark administrator, authorised benchmark submitter, exempt benchmark submitter, or designated benchmark submitter, being a book relating to a designated benchmark,

the Authority may require the person to disclose to the Authority the information that the person has about that matter.".

Amendment of section 150

78. Section 150 of the principal Act is amended by deleting subsection (1) and substituting the following subsection:

"(1) The Authority may inspect under conditions of secrecy, the books of an approved exchange, a recognised market operator, a licensed trade repository, a licensed foreign trade repository, an approved clearing house, a recognised clearing house, an approved holding company, the holder of a capital markets services licence, an exempt person, an authorised benchmark administrator, an exempt benchmark administrator, an authorised benchmark submitter, an exempt benchmark submitter, a designated benchmark submitter, or a representative.".

Amendment of section 150A

79. Section 150A of the principal Act is amended by deleting subsection (1) and substituting the following subsection:

"(1) Where a written report or any part of a written report (called in this section the report) has been produced by the Authority upon an inspection under section 150 in respect of any person mentioned in subsection (1) of that section (called in this section the inspected person) and is provided by the Authority to the inspected person, the report must not be disclosed by the inspected person or, if the inspected person is a corporation, by

any of its officers or auditors, to any other person except in the circumstances provided under subsection (2).".

Amendment of section 150B

80. Section 150B of the principal Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsection:

"(1) A foreign regulatory authority of a country or territory other than Singapore may conduct an inspection in Singapore of the books of —

(*a*) the holder of a capital markets services licence;

(*b*) a person exempted under section 99(1)(*a*), (*b*), (*c*), (*d*) or (*h*) from the requirement to hold a capital markets services licence;

(*c*) an approved exchange;

(*d*) a recognised market operator incorporated in Singapore;

(*e*) a licensed trade repository;

(*f*) an approved clearing house;

(*g*) a recognised clearing house incorporated in Singapore;

(*h*) an approved holding company incorporated in Singapore;

(*i*) an approved trustee mentioned in section 289;

(*j*) an authorised benchmark administrator;

(*k*) an exempt benchmark administrator;

(*l*) an authorised benchmark submitter;

(*m*) an exempt benchmark submitter; or

(*n*) a designated benchmark submitter,

(called in this section and in section 150C a relevant person) with the prior written approval of the Authority and under conditions of secrecy.";

(*b*) by deleting paragraph (*b*) of subsection (2) and substituting the following paragraph:

"(*b*) whether the foreign regulatory authority has regulatory oversight in its jurisdiction over the relevant person;"; and

(*c*) by deleting subsection (4) and substituting the following subsection:

"(4) The Authority may, in relation to an inspection by a foreign regulatory authority conducted or to be conducted under this section on the relevant person, at any time, by notice in writing to the relevant person impose any conditions or restrictions on the relevant person, and the relevant person must comply with such conditions or restrictions.".

Amendment of section 150C

81. Section 150C of the principal Act is amended by deleting subsection (1) and substituting the following subsection:

"(1) Where a written report or any part of a written report (called in this section the report) has been produced by a foreign regulatory authority upon an inspection under section 150B in respect of any relevant person (called in this section the inspected person) and is provided by the foreign regulatory authority to the inspected person, the report must not be disclosed by the inspected person or, if the inspected person is a corporation, by any of its officers or auditors, to any other person except in the circumstances provided under subsection (2).".

Amendment of section 151

82. Section 151 of the principal Act is amended by deleting subsection (1) and substituting the following subsection:

"(1) Despite anything in this Act, the Minister may, if he thinks it in the public interest to do so, appoint any person as an inspector to investigate any matter concerning dealing in capital markets products, administering a designated benchmark or providing information in relation to a designated benchmark.".

Amendment of section 169

83. Section 169 of the principal Act is amended —

(*a*) by deleting the words "securities, futures or derivatives industry of" in the definition of "enforcement" and substituting the words "securities and derivatives industry of, or financial benchmarks in,";

(*b*) by deleting the words "securities, futures or derivatives industry of" in the definition of "investigation" and substituting the words "securities and derivatives industry of, or financial benchmarks in,"; and

(*c*) by deleting the definition of "supervision" and substituting the following definition:

" "supervision", in relation to a regulatory authority, means the taking of any action for or in connection with the supervision of —

(*a*) a person operating an organised market, an intermediary or any other person regulated by the regulatory authority;

(*b*) the issuance of or trading in capital markets products in the foreign country of the regulatory authority; or

(*c*) a person administering a financial benchmark, or providing information in relation to a financial benchmark, in the foreign country of the regulatory authority.".

Amendment of section 175

84. Section 175 of the principal Act is amended by deleting the words "dealing in securities or trading in futures contracts, as the case may be" in paragraph (*b*) and substituting the words "dealing in capital markets products".

Amendment of section 186

85. Section 186 of the principal Act is amended —

(*a*) by deleting the words "a dealing in securities, or the trading of a futures contract" in subsection (1)(*a*) and substituting the words "a dealing in capital markets products";

(*b*) by deleting the words "dealings in securities or trading in futures contracts" in subsections (2), (5) and (9) and substituting in each case the words "dealings in capital markets products"; and

(*c*) by deleting subsection (14) and substituting the following subsection:

"(14) In this section, any reference to dealing in capital markets products is a reference to such dealing which is done or to be done —

(*a*) on the approved exchange which establishes, keeps and administers the fidelity fund; or

(*b*) through a trading linkage of the approved exchange with an overseas exchange.".

Deletion and substitution of heading of Division 1 of Part XII

86. The heading of Division 1 of Part XII of the principal Act is deleted and the following heading substituted therefor:

"*Division 1 — Prohibited Conduct — Capital Markets Products*".

Repeal and re-enactment of sections 196 and 196A

87. Sections 196 and 196A of the principal Act are repealed and the following sections substituted therefor:

"**Application of this Division**

196. This Division applies to —

(*a*) acts occurring within Singapore in relation to —

(i) securities or securities-based derivatives contracts of any corporation, whether formed or carrying on business in Singapore or elsewhere;

(ii) securities or securities-based derivatives contracts of any business trust;

(iii) securities or securities-based derivatives contracts listed for quotation or quoted on an organised market in Singapore or elsewhere;

(iv) units in a collective investment scheme listed for quotation or quoted on an organised market in Singapore or elsewhere;

(v) derivatives contracts, whether traded in Singapore or elsewhere;

(vi) spot foreign exchange contracts for purposes of leveraged foreign exchange trading, whether traded in Singapore or elsewhere; or

(vii) any other capital markets products, whether traded in Singapore or elsewhere; and

(*b*) acts occurring outside Singapore in relation to —

(i) securities or securities-based derivatives contracts of a corporation that is formed or carrying on business in Singapore;

(ii) securities or securities-based derivatives contracts of a business trust, the trustee of which is formed in Singapore or carries on business on behalf of the business trust in Singapore;

(iii) securities or securities-based derivatives contracts listed for quotation or quoted on an organised market in Singapore;

(iv) units in a collective investment scheme listed for quotation or quoted on an organised market in Singapore;

(v) derivatives contracts traded in Singapore;

(vi) spot foreign exchange contracts for purposes of leveraged foreign exchange trading that are traded in or accessible from Singapore; or

(vii) any other capital markets products that are traded in Singapore.

Interpretation of this Division

196A. In this Division —

(*a*) "debenture" has the same meaning as in section 2(1) and, in relation to a business trust, means any debenture issued by the trustee-manager of the business trust in its capacity as trustee-manager of the business trust;

(*b*) a reference to a securities-based derivatives contract of a corporation in sections 196(*a*)(i) and (*b*)(i), 198, 202 and 203 is to be read as a reference to a securities-based derivatives contract of which the underlying thing or any of the underlying things are securities of the corporation; and

(*c*) a reference to a securities-based derivatives contract of a business trust in sections 196(*a*)(ii) and (*b*)(ii), 198, 202 and 203 is to be read as a reference to a securities-based derivatives contract of which the

underlying thing or any of the underlying things, are securities of the business trust.".

Amendment of section 197

88. Section 197 of the principal Act is amended —

(*a*) by deleting paragraphs (*a*) and (*b*) of subsection (1) and substituting the following paragraphs:

"(*a*) of active trading in any capital markets products on an organised market; or

(*b*) with respect to the market for, or the price of, any capital markets products traded on an organised market.";

(*b*) by deleting the words "any securities on a securities market, or with respect to the market for, or the price of, such securities" in subsection (1A) and substituting the words "any capital markets products on an organised market, or with respect to the market for, or the price of, any capital markets products traded on an organised market";

(*c*) by deleting subsections (2) and (3) and substituting the following subsections:

"(2) A person must not maintain, inflate, depress, or cause fluctuations in, the market price of any capital markets products —

(*a*) by means of any purchase or sale of any capital markets products that does not involve a change in the beneficial ownership of the capital markets products; or

(*b*) by any fictitious transaction or device.

(3) Without prejudice to the generality of subsection (1), it is presumed that a person's purpose, or one of a person's purposes, is to create a false or misleading appearance of active trading in

capital markets products on an organised market if the person —

(*a*) effects, takes part in, is concerned in or carries out, directly or indirectly, any transaction of purchase or sale of the capital markets products, being a transaction that does not involve any change in the beneficial ownership of the capital markets products;

(*b*) makes or causes to be made an offer to sell the capital markets products at a specified price, where the person has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with the person has made or caused to be made or proposes to make or to cause to be made, an offer to purchase the same number, or substantially the same number, of the capital markets products at a price that is substantially the same as the firstmentioned price; or

(*c*) makes or causes to be made an offer to purchase the capital markets products at a specified price, where the person has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with the person has made or caused to be made or proposes to make or to cause to be made, an offer to sell the same number, or substantially the same number, of the capital markets products at a price that is substantially the same as the firstmentioned price.";

(*d*) by deleting the words "securities on a securities market" in subsection (4) and substituting the words "the capital markets products on the organised market"; and

(*e*) by deleting subsections (5), (6) and (7) and substituting the following subsections:

"(5) For the purposes of this section, a purchase or sale of capital markets products does not involve a change in the beneficial ownership if any of the following persons has an interest in the capital markets products after the purchase or sale:

(*a*) a person who had an interest in the capital markets products before the purchase or sale;

(*b*) a person associated with the person mentioned in paragraph (*a*).

(6) In any proceedings against a person for a contravention of subsection (2) in relation to a purchase or sale of capital markets products that did not involve a change in the beneficial ownership of the capital markets products, it is a defence if the defendant establishes that the purpose or purposes for which the defendant purchased or sold the capital markets products was not, or did not include, the purpose of creating a false or misleading appearance with respect to the market for, or the price of, the capital markets products.

(7) The reference in subsection (3)(*a*) to a transaction of purchase or sale of the capital markets products includes —

(*a*) a reference to the making of an offer to purchase or sell the capital markets products; and

(*b*) a reference to the making of an invitation, however expressed, that expressly or impliedly invites a person to offer to purchase or sell the capital markets products.".

Repeal and re-enactment of section 198

89. Section 198 of the principal Act is repealed and the following section substituted therefor:

"**Market manipulation in relation to securities and securities-based derivatives contracts**

198.—(1) A person must not effect, take part in, be concerned in or carry out, directly or indirectly, 2 or more transactions in securities, or securities-based derivatives contracts, of a corporation, being transactions that have, or are likely to have, the effect of raising, lowering, maintaining or stabilising the price of securities, or securities-based derivatives contracts, as the case may be, of the corporation on an organised market, with the intent to induce other persons to subscribe for, purchase or sell securities, or securities-based derivatives contracts, as the case may be, of the corporation or of a related corporation.

(2) A person must not effect, take part in, be concerned in or carry out, directly or indirectly, 2 or more transactions in securities, or securities-based derivatives contracts, of a business trust, being transactions that have, or are likely to have, the effect of raising, lowering, maintaining or stabilising the price of securities, or securities-based derivatives contracts, as the case may be, of the business trust on an organised market, with the intent to induce other persons to subscribe for, purchase or sell securities, or securities-based derivatives contracts, as the case may be, of the business trust.

(3) In this section —

(*a*) a reference to transactions in securities or securities-based derivatives contracts of a corporation includes —

(i) a reference to the making of an offer to purchase or sell such securities or securities-based derivatives contracts, as the case may be; and

(ii) a reference to the making of an invitation, however expressed, that directly or indirectly invites a person to offer to purchase or sell such

securities or securities-based derivatives contracts, as the case may be; and

(*b*) a reference to transactions in securities or securities-based derivatives contracts of a business trust includes —

(i) a reference to the making of an offer to purchase or sell such securities or securities-based derivatives contracts, as the case may be; and

(ii) a reference to the making of an invitation, however expressed, that directly or indirectly invites a person to offer to purchase or sell such securities or securities-based derivatives contracts, as the case may be.".

Amendment of section 199

90. Section 199 of the principal Act is amended by deleting paragraphs (*a*), (*b*) and (*c*) and substituting the following paragraphs:

"(*a*) to induce other persons to subscribe for securities, securities-based derivatives contracts or units in a collective investment scheme;

(*b*) to induce the sale or purchase of securities, securities-based derivatives contracts or units in a collective investment scheme, by other persons; or

(*c*) to have the effect (whether significant or otherwise) of raising, lowering, maintaining or stabilising the market price of securities, securities-based derivatives contracts or units in a collective investment scheme,".

Amendment of section 200

91. Section 200 of the principal Act is amended —

(*a*) by deleting the word "securities" in subsection (1) and substituting the words "capital markets products";

(*b*) by inserting, immediately after the words "subsection (1)" in subsection (3), the words "in relation to the dealing in capital markets products that are securities, securities-based derivatives contracts or units in a collective investment scheme"; and

(*c*) by deleting the word "securities" in the section heading and substituting the words "capital markets products".

Amendment of section 201

92. Section 201 of the principal Act is amended by deleting the word "securities" and substituting the words "capital markets products".

New sections 201A and 201B

93. The principal Act is amended by inserting, immediately after section 201, the following sections:

"**Bucketing**

201A.—(1) A person must not knowingly execute, or hold himself out as having executed, an order for the purchase or sale of a derivatives contract, without having effected in good faith a purchase or sale of that derivatives contract in accordance with the order or with the business rules and practices of an organised market on which the derivatives contract is to be purchased or sold.

(2) A person must not knowingly execute, or hold himself out as having executed, an order to make a purchase or sale of a spot foreign exchange contract for purposes of leveraged foreign exchange trading, without having effected in good faith a purchase or sale in accordance with the order.

Manipulation of price of derivatives contracts and cornering

201B. A person must not, directly or indirectly —

(*a*) manipulate or attempt to manipulate the price of a derivatives contract traded on an organised market, or

of any underlying thing which is the subject of such derivatives contract; or

(*b*) corner, or attempt to corner, any underlying thing which is the subject of a derivatives contract.".

Repeal and re-enactment of sections 202 and 203

94. Sections 202 and 203 of the principal Act are repealed and the following sections substituted therefor:

"**Dissemination of information about illegal transactions**

202.—(1) A person must not circulate or disseminate, or authorise or be concerned in the circulation or dissemination of, any statement or information to any of the following effect if any condition in subsection (2) is satisfied:

(*a*) the price of any securities or securities-based derivatives contract, of a corporation will, or is likely, to rise or fall or be maintained by reason of any transaction entered into or to be entered into or other act or thing done or to be done in relation to the securities or securities-based derivatives contracts, of that corporation (or of a related corporation) which to the person's knowledge was entered into or done in contravention of section 197, 198, 199, 200 or 201, or if entered into or done would be in contravention of section 197, 198, 199, 200 or 201;

(*b*) the price of any securities or securities-based derivatives contract, of a business trust will, or is likely, to rise or fall or be maintained by reason of any transaction entered into or to be entered into or other act or thing done or to be done in relation to the securities or securities-based derivatives contracts, of that business trust which to the person's knowledge was entered into or done in contravention of section 197, 198, 199, 200 or 201, or if entered into or done would be in contravention of section 197, 198, 199, 200 or 201;

(*c*) the price of a class of derivatives contracts will, or is likely to, rise or fall or be maintained by reason of any transaction entered into or to be entered into, or other act or thing done or to be done, in relation to that class of derivatives contracts by one or more persons which to the person's knowledge was entered into, or done, in contravention of section 197, 200, 201, 201A or 201B, or if entered into, or done, would be in contravention of section 197, 200, 201, 201A or 201B;

(*d*) the price of a class of spot foreign exchange contracts for purposes of leveraged foreign exchange trading, will, or is likely to, rise or fall or be maintained by reason of any transaction entered into or to be entered into, or other act or thing done or to be done, in relation to that class of spot foreign exchange contracts for purposes of leveraged foreign exchange trading, by one or more persons which to the person's knowledge was entered into, or done, in contravention of section 197, 200, 201, 201A or 201B, or if entered into, or done, would be in contravention of section 197, 200, 201, 201A or 201B.

(2) For the purpose of subsection (1), the condition is either —

(*a*) the person mentioned in subsection (1), or a person associated with that person, has entered into or purports to enter into any such transaction, or has done or purports to do any such act or thing; or

(*b*) the person mentioned in subsection (1), or a person associated with that person, has received, or expects to receive, directly or indirectly, any consideration or benefit for circulating or disseminating, or authorising or being concerned in the circulation or dissemination of, the statement or information.

Continuous disclosure

203.—(1) A person to whom this subsection applies must not intentionally, recklessly or negligently fail to notify the approved exchange of such information as is required to be disclosed by the approved exchange under the listing rules or any other requirement of the approved exchange, if the person is required by the approved exchange under the listing rules or any other requirement of the approved exchange to notify the approved exchange of information on specified events or matters as they occur or arise for the purpose of the approved exchange making that information available to an organised market operated by the approved exchange.

(2) Subsection (1) applies to any of the following:

(*a*) an entity, the securities or securities-based derivatives contracts of which are listed for quotation on an approved exchange;

(*b*) a trustee-manager of a business trust, where the securities or securities-based derivatives contracts of the business trust are listed for quotation on an approved exchange;

(*c*) a responsible person of a collective investment scheme, where the units in the collective investment scheme are listed for quotation on an approved exchange.

(3) Despite section 204 or 335, a contravention of subsection (1) is not an offence unless the failure to notify is intentional or reckless.".

Repeal and re-enactment of Division 2 of Part XII

95. Division 2 of Part XII of the principal Act is repealed and the following Division substituted therefor:

"*Division 2 — Prohibited Conduct — Financial Benchmarks*

Application of this Division

205. This Division applies to —

(*a*) acts occurring within Singapore in relation to financial benchmarks, whether administered in Singapore or elsewhere; and

(*b*) acts occurring outside Singapore in relation to financial benchmarks that are administered in Singapore.

Interpretation of this Division

206. In this Division —

"administer", in relation to a financial benchmark, means the activity of administering the financial benchmark;

"international body" means the European Central Bank, the Organization of the Petroleum Exporting Countries, and such other international bodies as may be prescribed by regulations made under section 341;

"public authority" means —

(*a*) any ministry or department of the Government, or any statutory body, or any board, commission, committee or similar body, whether corporate or unincorporated, established under a public Act for a public purpose;

(*b*) in relation to a foreign country or territory, an authority of the foreign country or territory, or any board, commission, committee or similar body, whether corporate or unincorporated, established under the law of the foreign country or territory for a public purpose; or

(*c*) such other organisation as the Authority may prescribe by regulations made under section 341.

Manipulation of financial benchmarks

207.—(1) A person must not do any thing, cause any thing to be done or engage in any course of conduct, if the person's purpose, or any of the person's purposes, for doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, is to create a false or misleading appearance as to the price, value, performance or rate of any financial benchmark.

(2) A person must not do any thing, cause any thing to be done or engage in any course of conduct that creates, or is likely to create, a false or misleading appearance, as to the price, value, performance or rate of any financial benchmark, if —

(*a*) the person knows that doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will likely create, that false or misleading appearance; or

(*b*) the person is reckless as to whether doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will likely create, that false or misleading appearance.

Exception for conduct pursuant to policy requirement

208. Section 207 does not apply in respect of any thing done or to be done or any course of conduct engaged by, or by a person acting on behalf of, a public authority or international body, whether in Singapore or elsewhere —

(*a*) in respect of monetary policy;

(*b*) in respect of policies with respect to exchange rates, the management of public debt or foreign exchange reserves; or

(*c*) for the purpose of managing the price or value of any commodity.

False or misleading statements

209. A person must not make a statement, disseminate any information or express any opinion that is false or misleading in a material particular to a person who carries out the activity of administering a financial benchmark if —

(*a*) the person intends that the statement, information or opinion be used for the purpose of administering a financial benchmark; and

(*b*) the person knows or ought reasonably to have known that the statement, information or opinion is false or misleading in a material particular, or is reckless as to whether the statement, information or opinion is false or misleading in a material particular.

Penalties under this Division

210.—(1) Any person who contravenes any of the provisions of this Division shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $250,000 or to imprisonment for a term not exceeding 7 years or to both.

(2) No proceedings may be instituted against a person for an offence in respect of a contravention of any of the provisions of this Division after —

(*a*) a court has made an order against him for the payment of a civil penalty under section 232; or

(*b*) the person has entered into an agreement with the Authority to pay, with or without admission of liability, a civil penalty under section 232(5),

in respect of that contravention.".

Repeal and re-enactment of section 213

96. Section 213 of the principal Act is repealed and the following section substituted therefor:

"**Application of this Division**

213. This Division applies to —

(*a*) acts occurring within Singapore in relation to —

(i) securities or securities-based derivatives contracts of any corporation, whether formed or carrying on business in Singapore or elsewhere;

(ii) securities or securities-based derivatives contracts of any business trust;

(iii) securities or securities-based derivatives contracts listed for quotation or quoted on an organised market in Singapore or elsewhere;

(iv) securities-based derivatives contracts, whether traded in Singapore or elsewhere; or

(v) CIS units —

(A) listed for quotation or quoted on an organised market in Singapore or elsewhere; or

(B) traded in Singapore or elsewhere; and

(*b*) acts occurring outside Singapore in relation to —

(i) securities or securities-based derivatives contracts of a corporation that is formed or carries on business in Singapore;

(ii) securities or securities-based derivatives contracts of a business trust, the trustee of which is formed in Singapore or carries on business on behalf of the business trust in Singapore;

(iii) securities or securities-based derivatives contracts listed for quotation or quoted on an organised market in Singapore;

(iv) securities-based derivatives contracts traded in Singapore; or

(v) CIS units —

(A) listed for quotation or quoted on an organised market in Singapore; or

(B) traded in Singapore.".

Amendment of section 214

97. Section 214 of the principal Act is amended —

(*a*) by inserting, immediately before the definition of "debenture", the following definition:

" "Collective Investment Scheme unit" or "CIS unit" means —

(*a*) a right or interest (however described) in a collective investment scheme (whether or not constituted as an entity), and includes an option to acquire any such right or interest in the collective investment scheme; or

(*b*) a contract or arrangement under which —

(i) a party to the contract or arrangement is required to, or may be required to, discharge its obligations under the contract or arrangement at some future time; and

(ii) the value of the contract or arrangement, is determined (whether directly or indirectly, or whether wholly or in part) by reference to, derived from, or varies by reference to any of the following:

(A) the value or amount of units of a collective investment scheme;

(B) fluctuations in the values or amount of units of a collective investment scheme;";

(*b*) by inserting the word "or" at the end of paragraph (*c*)(i) of the definition of "information";

(*c*) by deleting sub-paragraphs (ii) and (iii) of paragraph (*c*) of the definition of "information" and substituting the following sub-paragraph:

"(ii) dealing in capital markets products that are securities, securities-based derivatives contracts or CIS units;";

(*d*) by deleting paragraph (*e*) of the definition of "information" and substituting the following paragraph:

"(*e*) information that —

(i) a person proposes to enter into, or had previously entered into, one or more transactions or agreements in relation to any securities, securities-based derivatives contract or CIS unit; or

(ii) a person has prepared or proposes to issue a statement relating to any securities, securities-based derivatives contract or CIS unit; and";

(*e*) by inserting, immediately after the definition of "information", the following definition:

" "persons who commonly invest", in relation to investment in any kind of securities, securities-based derivatives contracts or CIS units, means a section of the public that is accustomed, or would be likely, to deal in

securities, securities-based derivatives contracts or CIS units, or in a class of securities, securities-based derivatives contracts or CIS units, of that kind;";

(*f*) by deleting the words "securities, includes, in the case of an option contract" in the definition of "purchase" and substituting the words "securities-based derivatives contracts or CIS units, includes a contract or arrangement";

(*g*) by deleting the definition of "securities";

(*h*) by deleting the words "securities, includes, in the case of an option contract" in the definition of "sell" and substituting the words "securities-based derivatives contracts or CIS units, includes a contract or arrangement"; and

(*i*) by renumbering the section as subsection (1) of that section, and by inserting immediately thereafter the following subsection:

"(2) In this Division —

(*a*) a reference to a securities-based derivatives contract of a corporation in sections 213(*a*)(i) and (*b*)(i) and 218 is a reference to a securities-based derivatives contract of which the underlying thing, or any of the underlying things, is a security of that corporation; and

(*b*) a reference to a securities-based derivatives contract of a business trust in sections 213(*a*)(ii) and (*b*)(ii) and 218 is a reference to a securities-based derivatives contract of which the underlying thing, or any of the underlying things, is a security of that business trust.".

Amendment of section 215

98. Section 215 of the principal Act is amended by deleting sub-paragraph (i) of paragraph (*b*) and substituting the following sub-paragraph:

"(i) it has been made known in a manner that would, or would be likely to, bring it to the attention of any of the following classes of persons:

(A) persons who commonly invest in securities of a kind of which the price or value might be affected by the information;

(B) persons who commonly invest in securities-based derivatives contracts of a kind of which the price or value might be affected by the information;

(C) persons who commonly invest in CIS units of a kind of which the price or value might be affected by the information; and".

Repeal and re-enactment of section 216

99. Section 216 of the principal Act is repealed and the following section substituted therefor:

"**Material effect on price or value of securities, securities-based derivatives contracts or CIS units**

216. For the purposes of this Division, a reasonable person would be taken to expect information to have a material effect on the price or value of securities, securities-based derivatives contracts or CIS units, if the information would, or would be likely to, influence any of the following persons in deciding whether or not to subscribe for, buy or sell those securities, securities-based derivatives contracts or CIS units:

(*a*) the persons who commonly invest in the securities, securities-based derivatives contracts or CIS units;

(*b*) any one or more classes of persons who constitute the persons mentioned in paragraph (*a*).".

Amendment of section 217

100. Section 217 of the principal Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsection:

"(1) For the purposes of this Division, trading in any securities, securities-based derivatives contracts or CIS units, that is ordinarily permitted on an organised market is taken to be permitted on that organised market even though trading in such securities, securities-based derivatives contracts or CIS units, as the case may be, on that organised market is suspended."; and

(*b*) by inserting, immediately after the word "securities" in the section heading, the words ", securities-based derivatives contracts or CIS units".

Amendment of section 218

101. Section 218 of the principal Act is amended —

(*a*) by inserting, immediately after the word "securities" in subsection (1)(*a*), the words "or securities-based derivatives contracts";

(*b*) by inserting, immediately after the word "securities" in subsection (1)(*b*)(ii), the words "or securities-based derivatives contracts";

(*c*) by deleting subsection (1A) and substituting the following subsection:

"(1A) Subsections (2), (3), (4A), (5) and (6) apply if —

(*a*) a person is connected to —

(i) a corporation that is the trustee of, or manages or operates, a business trust; or

(ii) a corporation that is the trustee or manager of a collective investment scheme —

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

(B) all or any units of which are listed on an approved exchange;

(*b*) the connected person possesses —

(i) where the person is connected to a corporation mentioned in paragraph (*a*)(i), any information concerning the corporation or business trust that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities or securities-based derivatives contracts of the corporation or business trust; or

(ii) where the person is connected to a corporation mentioned in paragraph (*a*)(ii), any information concerning the corporation or collective investment scheme that is not generally available but, if the

information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities or securities-based derivatives contracts of the corporation, or the price or value of CIS units in the scheme; and

(*c*) the connected person knows or ought reasonably to know that —

(i) the information is not generally available; and

(ii) if it were generally available, it might have a material effect on —

(A) where the person is connected to a corporation mentioned in paragraph (*a*)(i), the price or value of securities or securities-based derivatives contracts of the corporation or business trust; or

(B) where the person is connected to a corporation mentioned in paragraph (*a*)(ii), the price or value of securities or securities-based derivatives contracts of the corporation, or the price or value of CIS units in the collective investment scheme.";

(*d*) by deleting paragraphs (*a*) and (*b*) of subsection (2) and substituting the following paragraphs:

"(*a*) subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell —

(i) the securities or securities-based derivatives contracts mentioned in subsection (1); or

(ii) the securities, securities-based derivatives contracts or CIS units mentioned in subsection (1A); or

(*b*) procure another person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell —

(i) the securities or securities-based derivatives contracts mentioned in subsection (1); or

(ii) the securities, securities-based derivatives contracts or CIS units mentioned in subsection (1A).";

(*e*) by deleting subsection (3) and substituting the following subsection:

"(3) The connected person must not, directly or indirectly, communicate the information mentioned in subsection (1) or (1A), or cause the information to be communicated, to another person if the connected person knows, or ought reasonably to know, that the other person would or would be likely to —

(*a*) subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell —

(i) the securities or securities-based derivatives contracts mentioned in subsection (1); or

(ii) the securities, securities-based derivatives contracts or CIS units mentioned in subsection (1A); or

(*b*) procure a third person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell —

(i) the securities or securities-based derivatives contracts mentioned in subsection (1); or

(ii) the securities, securities-based derivatives contracts or CIS units mentioned in subsection (1A).";

(*f*) by inserting, immediately after the word "securities" in subsection (4)(ii), the words "or securities-based derivatives contracts"; and

(*g*) by deleting subsection (4A) and substituting the following subsections:

"(4A) In any proceedings for a contravention of subsection (2) or (3) against a person connected to a corporation mentioned in subsection (1A)(*a*)(i) or (ii), the presumption in subsection (4B) applies until the contrary is proved, if the prosecution or plaintiff proves that the connected person was at the material time —

(*a*) in possession of information concerning the corporation, business trust or collective investment scheme, as the case may be; and

(*b*) the information was not generally available.

(4B) For the purpose of subsection (4A), the presumption is the connected person knew at the material time that —

(*a*) the information was not generally available; and

(*b*) if the information were generally available, it might have a material effect on —

(i) where the person is connected to a corporation mentioned in subsection (1A)(*a*)(i), the price or value of securities or securities-based derivatives contracts of the corporation or business trust; or

(ii) where the person is connected to a corporation mentioned in subsection (1A)(*a*)(ii), the price or value of the securities or securities-based derivatives contracts of the corporation or the price or value of CIS units in the collective investment scheme.".

Amendment of section 219

102. Section 219 of the principal Act is amended —

(*a*) by inserting, immediately after the word "securities" in subsection (1)(*a*), the words ", securities-based derivatives contracts or CIS units";

(*b*) by inserting, immediately after the word "securities" in subsections (1)(*b*) and (2)(*a*) and (*b*), the words ", securities-based derivatives contracts or CIS units, as the case may be"; and

(*c*) by deleting subsection (3) and substituting the following subsection:

"(3) The insider must not, directly or indirectly, communicate the information mentioned in subsection (1), or cause the information to be communicated, to another person if the insider knows, or ought reasonably to know, that the other person would or would be likely to —

(*a*) subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, the securities, securities-based

derivatives contracts or CIS units mentioned in subsection (1); or

(*b*) procure a third person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell, the securities, securities-based derivatives contracts or CIS units mentioned in subsection (1).".

Amendment of section 223

103. Section 223 of the principal Act is amended —

(*a*) by inserting, immediately after the word "securities" in subsection (1)(*a*) and (*c*), the words ", securities-based derivatives contracts or CIS units";

(*b*) by inserting, immediately after the words "to securities" in subsection (2), the words ", securities-based derivatives contracts or CIS units"; and

(*c*) by inserting, immediately after the words "such securities" wherever they appear in subsection (2)(*a*) and (*b*), the words ", securities-based derivatives contracts or CIS units".

Amendment of section 224

104. Section 224 of the principal Act is amended by inserting, immediately after the word "securities" in subsections (1) and (2), the words ", securities-based derivatives contracts or CIS units".

Repeal and re-enactment of section 228

105. Section 228 of the principal Act is repealed and the following section substituted therefor:

"**Exception for knowledge of individual's own intentions or activities**

228. An individual does not contravene section 218(2) or 219(2) by entering into a transaction or agreement in relation to securities, securities-based derivatives contracts or CIS units

merely because the individual is aware that the individual proposes to enter into, or has previously entered into, one or more transactions or agreements in relation to those securities, securities-based derivatives contracts or CIS units.".

Amendment of section 229

106. Section 229 of the principal Act is amended —

(*a*) by deleting subsections (1) and (2) and substituting the following subsections:

"(1) A corporation does not contravene section 218(2) or 219(2) by entering into a transaction or agreement in relation to securities, securities-based derivatives contracts or CIS units merely because the corporation is aware that it proposes to enter into or has previously entered into, one or more transactions or agreements in relation to those securities, securities-based derivatives contracts or CIS units.

(2) Subject to subsection (3), a corporation does not contravene section 218(2) or 219(2) by entering into a transaction or agreement in relation to securities, securities-based derivatives contracts or CIS units merely because an officer of the corporation is aware that the corporation proposes to enter into, or has previously entered into, one or more transactions or agreements in relation to those securities, securities-based derivatives contracts or CIS units."; and

(*b*) by deleting subsection (4) and substituting the following subsection:

"(4) Subject to subsection (5), a person does not contravene section 218(2) or 219(2) by entering into a transaction or agreement on behalf of a corporation in relation to securities, securities-based derivatives contracts or CIS units merely because the person is aware that the corporation proposes to enter into, or

has previously entered into, one or more transactions or agreements in relation to those securities, securities-based derivatives contracts or CIS units.".

Amendment of section 230

107. Section 230(1) of the principal Act is amended by deleting the words "securities or trade in futures contracts, or a representative of such a holder does not contravene section 218(2) or 219(2) by subscribing for, purchasing or selling, or entering into an agreement to subscribe for, purchase or sell, securities that are traded on the stock market or futures market" and substituting the words "capital markets products, or a representative of such a holder, does not contravene section 218(2) or 219(2) by subscribing for, purchasing or selling, or entering into an agreement to subscribe for, purchase or sell, securities, securities-based derivatives contracts or CIS units".

Amendment of section 232

108. Section 232 of the principal Act is amended —

(*a*) by deleting subsections (2) and (3) and substituting the following subsections:

"(2) If the court is satisfied on a balance of probabilities that the person has contravened a provision in this Part, the court may make an order against him for the payment of a civil penalty of a sum not exceeding the greater of the following:

(*a*) 3 times —

(i) the amount of the profit that the person gained as a result of the contravention; or

(ii) the amount of the loss that the person avoided as a result of the contravention;

(*b*) $2 million.

(3) The civil penalty ordered under subsection (2) must not be less than —

(*a*) in the case where the person is a corporation, $100,000; and

(*b*) in any other case, $50,000."; and

(*b*) by inserting, immediately after the words "Consolidated Fund" in subsection (6), the words "and is to be treated as a judgment debt due to the Government for the purposes of section 10 of the Government Proceedings Act (Cap. 121)".

Amendment of section 234

109. Section 234 of the principal Act is amended —

(*a*) by deleting paragraphs (*a*) and (*b*) of subsection (1) and substituting the following paragraphs:

"(*a*) had been dealing in capital markets products of the same description contemporaneously with the contravention; and

(*b*) had suffered loss by reason of the difference between —

(i) the price at which the capital markets products were dealt in contemporaneously with the contravention; and

(ii) the price at which the capital markets products would have been likely to have been so dealt in at the time of the contemporaneous dealing if —

(A) in the case where the contravening person had acted in contravention of section 218 or 219, the information mentioned in section 218(1) or (1A) or 219(1), as the case may be, had been generally available; or

(B) in any other case, the contravention had not occurred.";

(*b*) by deleting the words ", 201, 209 or 210, in connection with any subscription, purchase or sale of securities, any trading in futures contracts or any leveraged foreign exchange trading" in subsection (1A)(*a*) and substituting the words "or 201 in connection with any dealing in capital markets products";

(*c*) by deleting the words "subscribed for, purchased or sold any securities, or entered into any futures contract, or contracts or arrangements in connection with leveraged foreign exchange trading," in subsections (1A)(*b*)(i) and (2A)(*a*) and substituting in each case the words "been dealing in capital markets products";

(*d*) by deleting the words "or trading" in subsection (4);

(*e*) by deleting the words "securities, trading in futures contracts or leveraged foreign exchange trading" in subsection (5) and substituting the words "capital markets products";

(*f*) by deleting paragraphs (*a*) and (*b*) of subsection (5) and substituting the following paragraphs:

"(*a*) the volume of capital markets products of the same description dealt in between the date and time of the contravention, and the date and time of the dealing in capital markets products;

(*b*) if the contravention was effected by a transaction or transactions involving the dealing in capital markets products, the date on and time at which the transaction or transactions were cleared and settled;";

(*g*) by deleting the words "securities, trading in futures contracts, or leveraged foreign exchange trading" in

subsection (5)(*c*) and substituting the words "capital markets products"; and

(*h*) by deleting the word "securities" in subsection (5)(*d*) and substituting the words "capital markets products that are securities, securities-based derivatives contracts or CIS units as defined in section 214(1), as the case may be,".

Amendment of section 236B

110. Section 236B of the principal Act is amended by deleting subsections (4) and (5) and substituting the following subsection:

"(4) If the court in subsection (3) is satisfied on a balance of probabilities that the corporation is liable to be punished under subsection (1) for a contravention of any provision of this Part, the court may make an order against the corporation for the payment of a civil penalty of a sum not less than $100,000 but not exceeding the greater of the following:

(*a*) 3 times —

(i) the amount of the profit that the corporation gained as a result of the contravention by the contravening person; or

(ii) the amount of the loss that the corporation avoided as a result of the contravention by the contravening person;

(*b*) $2 million.".

Amendment of section 236C

111. Section 236C of the principal Act is amended by deleting subsections (3) and (4) and substituting the following subsection:

"(3) If the court is satisfied on a balance of probabilities that the corporation has committed a contravention under subsection (1), the court may make an order against the corporation for the payment of a civil penalty of a sum not less than $100,000 but not exceeding the greater of the following:

(*a*) 3 times —

(i) the amount of the profit that the corporation gained as a result of the contravention by the contravening person; or

(ii) the amount of the loss that the corporation avoided as a result of the contravention by the contravening person;

(*b*) $2 million.".

Amendment of section 236D

112. Section 236D of the principal Act is amended —

(*a*) by deleting paragraph (*a*) of subsection (1) and substituting the following paragraph:

"(*a*) had been dealing in capital markets products of the same description contemporaneously with the contravention by the contravening person; and";

(*b*) by deleting the words "securities, futures contracts, or contracts or arrangements in connection with leveraged foreign exchange trading were dealt in or traded" in subsection (1)(*b*)(i) and substituting the words "capital markets products were dealt in";

(*c*) by deleting the words "securities, futures contracts, or contracts or arrangements in connection with leveraged foreign exchange trading would have been likely to have been so dealt in or traded at the time of the contemporaneous dealing or trading" in subsection (1)(*b*)(ii) and substituting the words "capital markets products would have been likely to have been so dealt in at the time of the contemporaneous dealing"; and

(*d*) by deleting the words "or trading" in subsections (4) and (5).

Amendment of section 236E

113. Section 236E of the principal Act is amended by deleting subsections (4) and (5) and substituting the following subsection:

"(4) If the court in subsection (3) is satisfied on a balance of probabilities that the partnership or limited liability partnership is liable to be punished under subsection (1) for a contravention of any provision of this Part, the court may make an order against the partnership or limited liability partnership for the payment of a civil penalty of a sum not less than $50,000 but not exceeding the greater of the following:

(*a*) 3 times —

(i) the amount of the profit that the partnership or limited liability partnership gained as a result of the contravention by the contravening person; or

(ii) the amount of the loss that the partnership or limited liability partnership avoided as a result of the contravention by the contravening person;

(*b*) $2 million.".

Amendment of section 236F

114. Section 236F of the principal Act is amended by deleting subsections (3) and (4) and substituting the following subsection:

"(3) If the court is satisfied on a balance of probabilities that the partnership or limited liability partnership has committed a contravention under subsection (1), the court may make an order against the partnership or limited liability partnership for the payment of a civil penalty of a sum not less than $50,000 but not exceeding the greater of the following:

(*a*) 3 times —

(i) the amount of the profit that the partnership or limited liability partnership gained as a result of the contravention by the contravening person; or

(ii) the amount of the loss that the partnership or limited liability partnership avoided as a result of the contravention by the contravening person;

(*b*) $2 million.".

Amendment of section 236G

115. Section 236G of the principal Act is amended —

(*a*) by deleting paragraph (*a*) of subsection (1) and substituting the following paragraph:

"(*a*) had been dealing in capital markets products of the same description contemporaneously with the contravention by the contravening person; and";

(*b*) by deleting the words "securities, futures contracts, or contracts or arrangements in connection with leveraged foreign exchange trading were dealt in or traded" in subsection (1)(*b*)(i) and substituting the words "capital markets products were dealt in";

(*c*) by deleting the words "securities, futures contracts, or contracts or arrangements in connection with leveraged foreign exchange trading would have been likely to have been so dealt in or traded at the time of the contemporaneous dealing or trading" in subsection (1)(*b*)(ii) and substituting the words "capital markets products would have been likely to have been so dealt in at the time of the contemporaneous dealing"; and

(*d*) by deleting the words "or trading" in subsections (4) and (5).

Amendment of section 236H

116. Section 236H of the principal Act is amended by deleting subsections (2) and (3) and substituting the following subsection:

"(2) If the court is satisfied on a balance of probabilities that the contravening person has contravened a provision in this Part with the consent or connivance of the defendant, or as a result of any

neglect on the part of the defendant, the court may make an order against the defendant for the payment of a civil penalty of a sum not less than $50,000 but not exceeding the greater of the following:

(*a*) 3 times —

(i) the amount of the profit that the defendant gained as a result of the contravention by the contravening person; or

(ii) the amount of the loss that the defendant avoided as a result of the contravention by the contravening person;

(*b*) $2 million.".

Amendment of section 236I

117. Section 236I of the principal Act is amended —

(*a*) by deleting paragraph (*a*) of subsection (1) and substituting the following paragraph:

"(*a*) had been dealing in capital markets products of the same description contemporaneously with the contravention by the contravening person; and";

(*b*) by deleting the words "securities, futures contracts, or contracts or arrangements in connection with leveraged foreign exchange trading were dealt in or traded" in subsection (1)(*b*)(i) and substituting the words "capital markets products were dealt in";

(*c*) by deleting the words "securities, futures contracts, or contracts or arrangements in connection with leveraged foreign exchange trading would have been likely to have been so dealt in or traded at the time of the contemporaneous dealing or trading" in subsection (1)(*b*)(ii) and substituting the words "capital markets products would have been likely to have been so dealt in at the time of the contemporaneous dealing";

(*d*) by deleting the words "or trading" in subsection (4); and

(*e*) by deleting the words "securities, trading in futures contracts, or leveraged foreign exchange trading" in subsection (5) and substituting the words "capital markets products".

Amendment of section 236L

118. Section 236L(8) of the principal Act is amended by inserting, immediately after the words "Consolidated Fund", the words "and is to be treated as a debt due to the Government for the purposes of section 10 of the Government Proceedings Act (Cap. 121)".

Deletion and substitution of heading of Division 1 of Part XIII

119. Part XIII of the principal Act is amended by deleting the heading of Division 1 and substituting the following Division heading:

"*Division 1 — Securities and Securities-based Derivatives Contracts*".

Amendment of section 239

120. Section 239 of the principal Act is amended —

(*a*) by inserting, immediately after the definition of "control" in subsection (1), the following definition:

" "dealing in capital markets products", in respect of capital markets products that are securities or securities-based derivatives contracts, means (whether as principal or agent) —

(*a*) making or offering to make with any person; or

(*b*) inducing or attempting to induce any person to enter into or to offer to enter into,

any agreement for or with a view to acquiring, disposing of, subscribing for, entering into, effecting, arranging or underwriting any

securities or securities-based derivatives contracts;";

(*b*) by deleting the definition of "debenture" in subsection (1);

(*c*) by deleting the definitions of "issuer" and "limited liability partnership" in subsection (1) and substituting the following definition:

" "issuer" means —

(*a*) in relation to an offer of securities or securities-based derivatives contracts (other than units or derivatives of units in a business trust), the entity that issues or will be issuing the securities or securities-based derivatives contracts being offered;

(*b*) in relation to an offer of units in a business trust, the trustee-manager of the business trust in its capacity as the trustee that issues or will be issuing the units; and

(*c*) in relation to an offer of derivatives of units in a business trust, the trustee-manager of the business trust in its capacity as the trustee, or any other entity that issues or will be issuing the derivatives of units;";

(*d*) by inserting, immediately after the word "securities" wherever it appears in the definitions of "minimum subscription", "preliminary document" and "prospectus" in subsection (1), the words "or securities-based derivatives contracts";

(*e*) by deleting the words "entity, means a promoter of the entity" in the definition of "promoter" in subsection (1) and substituting the words "entity or a business trust, means a promoter of the entity or business trust (as the case may be)";

(*f*) by deleting the definition of "securities" in subsection (1);

(*g*) by inserting, immediately after the definition of "supplementary document" in subsection (1), the following definitions:

" "trust deed" has the same meaning as "deed" in section 2 of the Business Trusts Act (Cap. 31A);

"trust property" has the same meaning as in section 2 of the Business Trusts Act;";

(*h*) by inserting, immediately after subsection (4), the following subsection:

"(4A) For the purposes of this Division, references to a debenture includes a debenture, or a unit of debenture, issued by a trustee of a trust on behalf of the trust."; and

(*i*) by inserting, immediately after the word "securities" wherever it appears in subsections (6) and (8), the words "or securities-based derivatives contracts".

Amendment of section 239A

121. Section 239A of the principal Act is amended —

(*a*) by inserting, immediately after the word "securities" in paragraph (*a*), the words "or securities-based derivatives contracts"; and

(*b*) by renumbering the section as subsection (1) of that section, and by inserting immediately thereafter the following subsection:

"(2) This Division does not apply to an offer of securities or securities-based derivatives contracts being units or derivatives of units in a business trust, where —

(*a*) the business trust is also a collective investment scheme that has been

authorised under section 286 or recognised under section 287; or

(*b*) the business trust is also a collective investment scheme and the offer is made in reliance on an exemption under Subdivision (4) of Division 2.".

Amendment of section 239B

122. Section 239B of the principal Act is amended by inserting, immediately after the word "securities", the words "or securities-based derivatives contracts".

New Subdivision (1A) of Division 1 of Part XIII

123. The principal Act is amended by inserting, immediately after section 239B, the following Subdivision:

"Subdivision (1A) — Offers of units in and recognition of business trusts

Requirement for registration or recognition

239C.—(1) A person must not make an offer of units or derivatives of units in a business trust unless the business trust is a registered business trust or a recognised business trust.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

Power of Authority to recognise business trusts constituted outside Singapore

239D.—(1) The Authority may, upon an application made to it in such form and manner as may be prescribed and subject to subsection (2), recognise a business trust constituted outside Singapore.

(2) The Authority may recognise a business trust under subsection (1) if and only if the Authority is satisfied that —

(*a*) the laws and practices of the jurisdiction under which the business trust is constituted and regulated affords to investors in Singapore protection at least equivalent to that provided to them under the Business Trusts Act (Cap. 31A) in the case of registered business trusts;

(*b*) the business trust satisfies such criteria as may be prescribed by regulations made under section 341; and

(*c*) the person making the offer of, or the issuer of, units or derivatives of units in the business trust, or the trustee-manager of the business trust, satisfies such criteria as may be prescribed by regulations made under section 341.

(3) Without prejudice to subsection (2), in considering whether to recognise a business trust under subsection (1), the Authority may have regard to such other factors as may be prescribed.

(4) Without prejudice to subsection (2), the Authority may refuse to recognise any business trust where it appears to the Authority that it is not in the public interest to do so.

(5) The Authority must not refuse to recognise a business trust under subsection (1) without giving the person who made the application an opportunity to be heard, except that an opportunity to be heard need not be given if the refusal is on the ground that it is not in the public interest to recognise the business trust on the basis of any of the following circumstances:

(*a*) the person making the offer (being an entity), the issuer or the trustee-manager of the business trust or the business trust itself is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

(*b*) the person making the offer (being an individual) is an undischarged bankrupt, whether in Singapore or elsewhere;

(*c*) a receiver, a receiver and manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of —

(i) any property of the person making the offer (being an entity) or the issuer;

(ii) any property of the trustee-manager of the business trust; or

(iii) the trust property of the business trust.

(6) Any person making an application under subsection (1) may, within 30 days after the person is notified that the Authority has refused to recognise that business trust constituted outside Singapore, appeal to the Minister whose decision is final.

(7) An application made under subsection (1) must be accompanied by such information or record as the Authority may require.

(8) The Authority may publish for public information, in such manner as it considers appropriate, particulars of any business trust that is recognised under subsection (1).

(9) While a business trust remains a recognised business trust, each of the following persons must ensure that the criteria prescribed by regulations made under section 341 in accordance with subsection (2)(*b*) and (*c*) which are applicable to the person continue to be satisfied:

(*a*) a person making an offer of units or derivatives of units in the trust;

(*b*) an issuer of units or derivatives of units in the trust;

(*c*) the trustee-manager of the trust.

(10) The trustee-manager of a recognised business trust must furnish such information or record regarding the business trust as the Authority may, at any time, require for the proper administration of this Act.

(11) Any person who contravenes subsection (9) or (10) shall be guilty of an offence and shall be liable on conviction to a fine

not exceeding $100,000 and, in the case of a continuing offence, to a further fine not exceeding $10,000 for every day or part of a day during which the offence continues after conviction.

Power of Authority to impose conditions or restrictions

239E.—(1) The Authority may recognise a business trust under section 239D(1) subject to such conditions or restrictions as it thinks fit to impose on any of the following persons for the purpose of protecting investors of the business trust:

(*a*) the trustee-manager of the trust;

(*b*) a person making an offer of units or derivatives of units in the trust;

(*c*) an issuer of units or derivatives of units in the trust.

(2) Each of the persons mentioned in subsection (1) must comply with the conditions or restrictions applicable to the person.

(3) The Authority may, at any time, by notice in writing to any of the persons mentioned in subsection (1), vary any condition or restriction or impose such further condition or restriction as the Authority may think fit.

(4) Any person who contravenes any condition or restriction applicable to him under subsection (1) or (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000 and, in the case of a continuing offence, to a further fine not exceeding $10,000 for every day or part of a day during which the offence continues after conviction.

Revocation, suspension or withdrawal of recognition

239F.—(1) The Authority may revoke the recognition of a recognised business trust granted under section 239D(1) if —

(*a*) the application for recognition, or any related information or record submitted to the Authority, whether at the same time as or subsequent to the application, was false or misleading in a material particular or omitted a material particular which, had it

been known to the Authority at the time of submission, would have resulted in the Authority not granting the recognition;

(*b*) the Authority is of the opinion that the continued recognition of the business trust is or will be against the public interest;

(*c*) the Authority is of the opinion that the continued recognition of the business trust is or will be prejudicial to its unitholders or potential unitholders; or

(*d*) there has been a contravention of section 239D(9) or (10) or a condition or restriction mentioned in section 239E(1) or (3).

(2) Where the Authority revokes the recognition of a recognised business trust under subsection (1), the Authority may issue such directions as it deems fit to any of the following persons:

(*a*) a person making an offer of units or derivatives of units in the business trust;

(*b*) the issuer of units or derivatives of units in the business trust;

(*c*) the trustee-manager of the business trust,

and the person must comply with such directions.

(3) The directions mentioned in subsection (2) may include a direction that the person provides the holders of the units or derivatives of units with an option to redeem or sell back to the person their units or derivatives of units (as the case may be) on such terms as the Authority may approve.

(4) In determining whether to issue a direction under subsection (2), the Authority must consider —

(*a*) whether the trustee-manager of the business trust is able to liquidate the property of the business trust without material adverse financial effect to the

unitholders and for this purpose, the factors which the Authority may take into account include —

(i) the liquidity of the property of the business trust;

(ii) the penalties, if any, payable for liquidating the property; and

(iii) where the units of the business trust are also listed for quotation or quoted on an overseas exchange, the potential impact which the liquidation may have on unitholders in the country or territory where the units are listed; and

(*b*) where the units or derivatives of units in the business trust are listed for quotation on the official list of an approved exchange, whether the holders of the units or derivatives of units are afforded an opportunity to liquidate, sell or redeem their units or derivatives of units on reasonable terms in accordance with the requirements of the listing rules of the approved exchange.

(5) A person who, without reasonable excuse, contravenes any of the directions issued by the Authority under subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $150,000 and, in the case of a continuing offence, to a further fine not exceeding $15,000 for every day or part of a day during which the offence continues after conviction.

(6) Despite subsection (1), the Authority may, if it considers it desirable to do so, instead of revoking the recognition of a recognised business trust, suspend the recognition of that recognised business trust for a specific period, and may at any time remove such suspension.

(7) Where the Authority revokes the recognition of a recognised business trust under subsection (1) or suspends the recognition of a recognised business trust under subsection (6), it must notify the trustee-manager of the business trust and, where the Authority deems it necessary, the person who made the

application to the Authority for recognition of the business trust under section 239D(1).

(8) Subject to subsection (9), the Authority may, upon an application in writing made to it by the trustee-manager of the business trust or the person who made the application to the Authority for recognition of a business trust under section 239D(1), in such form and manner as may be prescribed, withdraw the recognition of that recognised business trust.

(9) The Authority may refuse to withdraw the recognition of a recognised business trust under subsection (8) where the Authority is of the opinion that —

(*a*) there is any matter concerning the recognised business trust which should be investigated before the recognition is withdrawn; or

(*b*) the withdrawal of the recognition would not be in the public interest.

(10) The Authority must not —

(*a*) revoke the recognition of a recognised business trust under subsection (1) without giving the trustee-manager of the business trust and, where the Authority deems it necessary, the person who made the application to the Authority for recognition of the business trust under section 239D(1), an opportunity to be heard;

(*b*) impose a direction on a person mentioned in subsection (2) without giving that person an opportunity to be heard;

(*c*) suspend the recognition of a recognised business trust under subsection (6) without giving the trustee-manager of the business trust and, where the Authority deems it necessary, the person who made the application to the Authority for recognition of the business trust under section 239D(1), an opportunity to be heard; or

(*d*) refuse the withdrawal of the recognition of a recognised business trust under subsection (9) without giving the person mentioned in subsection (8) an opportunity to be heard.

(11) Despite subsection (10), an opportunity to be heard need not be given for a revocation or suspension on the ground that the continued recognition of the recognised business trust is against the public interest on the basis of any of the following circumstances:

(*a*) the person making the offer (being an entity), the issuer, the trustee-manager of the recognised business trust or the recognised business trust itself, is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

(*b*) the person making the offer (being an individual) is an undischarged bankrupt, whether in Singapore or elsewhere;

(*c*) a receiver, a receiver and manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of —

(i) any property of the person making the offer (being an entity) or the issuer;

(ii) any property of the trustee-manager of the recognised business trust; or

(iii) the trust property of the recognised business trust.

(12) The following persons may appeal to the Minister within 30 days after being notified of the following decisions of the Authority:

(*a*) where the Authority revokes the recognition of a recognised business trust under subsection (1), or suspends the recognition of a recognised business trust under subsection (6), the person or persons mentioned in subsection (7);

(*b*) where the Authority has imposed a direction on a person under subsection (2), the person mentioned in subsection (2);

(*c*) where the Authority refuses to withdraw the recognition of a recognised business trust under subsection (9), the person mentioned in subsection (8).

(13) A decision of the Minister in an appeal under subsection (12) is final.

(14) Where the Authority revokes a recognition under subsection (1), suspends a recognition under subsection (6) or withdraws a recognition under subsection (8), it may —

(*a*) impose such conditions on the revocation, suspension or withdrawal (as the case may be) as it considers appropriate; and

(*b*) publish notice of the revocation, suspension or withdrawal (as the case may be), and the reason for the revocation, suspension or withdrawal (as the case may be), in such manner as it considers appropriate.".

Amendment of section 240

124. Section 240 of the principal Act is amended —

(*a*) by inserting, immediately after the word "securities" wherever it appears in subsections (1), (4), (9A) and (17), the words "or securities-based derivatives contracts";

(*b*) by deleting subsection (5) and substituting the following subsection:

"(5) A person must not make any offer of securities or securities-based derivatives contracts in respect of an entity or a business trust that has not been formed or does not exist.";

(*c*) by deleting the words "issuer or, where applicable, the underlying entity" in subsection (15)(*a*) and substituting the words "issuer or the trustee-manager of the business

trust or, where applicable, the underlying entity or the business trust"; and

(*d*) deleting the words "issuer or, where applicable, the underlying entity" in subsection (15)(*c*) and substituting the words "issuer or the trustee-manager of the business trust or, where applicable, the underlying entity, or in relation to or in respect of the trust property of the business trust".

Amendment of section 240AA

125. Section 240AA of the principal Act is amended —

(*a*) by inserting, immediately after the words "relevant securities" in subsections (1) and (2), the words "or securities-based derivatives contracts";

(*b*) by deleting the words "securities exchange, futures exchange, overseas securities exchange or overseas futures exchange" in subsection (2)(*c*) and substituting the words "approved exchange or overseas exchange";

(*c*) by deleting the definition of "relevant securities" in subsection (5) and substituting the following definition:

" "relevant securities or securities-based derivatives contracts" means —

(*a*) asset-backed securities;

(*b*) structured notes; or

(*c*) such other securities or securities-based derivatives contracts as the Authority may prescribe by regulations made under section 341;"; and

(*d*) by inserting, immediately after the word "securities" wherever it appears in paragraph (*b*)(iii) and (A) of the definition of "structured notes" in subsection (5), the words "or securities-based derivatives contracts".

New section 240AB

126. The principal Act is amended by inserting, immediately after section 240AA, the following section:

"**Exemption from requirement for product highlights sheet**

240AB.—(1) Despite section 337(1), the Authority may, by regulations made under section 341, exempt any person or class of persons from all or any of the requirements in section 240AA, subject to such conditions or restrictions as may be specified by the Authority.

(2) The Authority may, by notice in writing, exempt any person from all or any of the requirements in section 240AA, subject to such conditions or restrictions as the Authority may specify by notice in writing.

(3) The Authority may at any time add to, vary or revoke any condition or restriction imposed under subsection (1) or (2).

(4) It is not necessary to publish any exemption granted under subsection (2) in the *Gazette*.

(5) Any person who contravenes any condition or restriction imposed under subsection (1), (2) or (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 and, in the case of a continuing offence, to a further fine not exceeding $5,000 for every day or part of a day during which the offence continues after conviction.".

Amendment of section 241

127. Section 241 of the principal Act is amended —

(*a*) by inserting, immediately after the word "securities" wherever it appears in subsections (1), (8), (10), (11), (12), (13) and (14), the words "or securities-based derivatives contracts"; and

(*b*) by deleting the words "a securities exchange" in subsection (1C)(*b*)(ii)(A) and substituting the words "an approved exchange".

Amendment of section 242

128. Section 242 of the principal Act is amended —

(*a*) by inserting, immediately after the word "securities" wherever it appears in subsections (1), (2), (5), (7) and (8), the words "or securities-based derivatives contracts";

(*b*) by deleting subsection (3) and substituting the following subsection:

"(3) Despite subsections (1) and (2), the Authority must not serve a stop order if any of the securities or securities-based derivatives contracts to which the prospectus or profile statement relates has been issued or sold, and listed for quotation on an approved exchange and trading in them has commenced.";

(*c*) by deleting the words "issuer or, where applicable, the underlying entity" in subsection (4)(*a*) and substituting the words "issuer or the trustee-manager of the business trust or, where applicable, the underlying entity or the business trust"; and

(*d*) by deleting paragraph (*b*) of subsection (4) and substituting the following paragraph:

"(*b*) a receiver, a receiver and manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of —

(i) any property of the person making the offer (being an entity), the issuer or, where applicable, the underlying entity;

(ii) any property of the trustee-manager of the business trust; or

(iii) the trust property of the business trust.".

Amendment of section 243

129. Section 243 of the principal Act is amended —

(*a*) by inserting, immediately after the word "securities" in subsections (1), (3)(*a*), (4)(*a*) and (6), the words "or securities-based derivatives contracts";

(*b*) by deleting paragraph (*b*) of subsection (3) and substituting the following paragraph:

"(*b*) in the case of an offer of securities or securities-based derivatives contracts other than units or derivatives of units in a business trust, the assets and liabilities, profits and losses, financial position and performance, and prospects of the issuer;";

(*c*) by deleting the word "and" at the end of subsection (3)(*c*);

(*d*) by deleting paragraph (*d*) of subsection (3) and substituting the following paragraphs:

"(*d*) in the case of an offer of units of shares or debentures, where —

(i) the person making the offer is or will be required to issue or deliver the relevant units, or meet financial or contractual obligations to the holders of those units; or

(ii) an entity which is controlled by one of the following is or will be required to issue or deliver the relevant units, or meet financial or contractual obligations to the holders of those units:

(A) the person making the offer;

(B) one or more of the related parties of the person making the offer;

(C) the person making the offer and one or more of his related parties,

the capacity of that person or entity to issue or deliver the relevant securities, or the ability of that person or entity to meet those financial or contractual obligations;

(*e*) in the case of an offer of securities or securities-based derivatives contracts being units or derivatives of units in a business trust, where —

(i) the person making the offer is the trustee-manager of the business trust; or

(ii) the trustee-manager of the business trust is controlled by —

(A) the person making the offer;

(B) one or more of the related parties of the person making the offer; or

(C) the person making the offer and one or more of his related parties,

the assets and liabilities, profits and losses, financial position and performance of the business trust and of the trustee-manager, and the prospects of the business trust;

(*f*) in the case of an offer of securities or securities-based derivatives contracts being derivatives of units in a business trust issued by an entity (*A*) other than the trustee-manager of the business trust, where —

(i) the person making the offer is *A*; or

(ii) *A* is controlled by —

(A) the person making the offer;

(B) one or more of the related parties of the person making the offer; or

(C) the person making the offer and one or more of his related parties,

the assets and liabilities, profits and losses, financial position and performance, and prospects of *A*; and

(*g*) in the case of an offer of securities or securities-based derivatives contracts being derivatives of units in the business trust, where —

(i) the person making the offer is or will be required to issue or deliver the relevant units or derivatives of units, or meet financial or contractual obligations to the holders of those derivatives of units; or

(ii) an entity which is controlled by one of the following is or will be required to issue or deliver the relevant units or derivatives of units, or meet financial or contractual obligations to the holders of those derivatives of units:

(A) the person making the offer;

(B) one or more of the related parties of the person making the offer;

(C) the person making the offer and one or more of his related parties,

the capacity of that person or entity to issue or deliver the relevant units or derivatives of units in that business trust, or the ability of that person or entity to meet those financial or contractual obligations.";

(*e*) by inserting, immediately after subsection (4), the following subsections:

"(4A) Subject to any condition or restriction as may be prescribed by regulations made under section 341, the information mentioned in subsection (1) may be incorporated in the prospectus by reference to a document (called in this subsection and subsection (4B) the reference document) lodged with the Authority together with the prospectus.

(4B) For the purposes of this Division, the information contained in the reference document is to be regarded as part of the prospectus."; and

(*f*) by inserting, immediately after subsection (7), the following subsection:

"(8) In subsection (3)(*e*) —

"assets and liabilities, profits and losses, financial position and performance", in relation to a business trust, means the assets and liabilities, profits and losses, financial position and performance of that business trust derived from the accounting records and other records kept by the trustee-manager of that business trust;

"prospects", in relation to a business trust, means the business and financial prospects anticipated with respect to the operations of the trustee-manager of the business trust, in its capacity as trustee-manager of the business trust.".

Amendment of section 246

130. Section 246 of the principal Act is amended —

(*a*) by inserting, immediately after the word "securities" wherever it appears in subsection (1), the words "or securities-based derivatives contracts"; and

(*b*) by deleting sub-paragraph (i) of subsection (1)(*a*) and substituting the following sub-paragraphs:

"(i) identification of the person making the offer;

(i*a*) where the person making the offer is not the issuer, identification of the issuer and, where applicable, the underlying entity;

(i*b*) in the case of an offer of securities or securities-based derivatives contracts being units or derivatives of units in a business trust, identification of the business trust, the trustee-manager of the business trust and the issuer;".

Amendment of section 249

131. Section 249 of the principal Act is amended by inserting, immediately after the word "securities" in subsections (1) and (1B), the words "or securities-based derivatives contracts".

Amendment of section 249A

132. Section 249A of the principal Act is amended by inserting, immediately after the word "securities" in subsections (1), (2) and (5), the words "or securities-based derivatives contracts".

Amendment of section 250

133. Section 250 of the principal Act is amended by inserting, immediately after the word "securities" wherever it appears in subsections (1), (2), (3) and (5), the words "or securities-based derivatives contracts".

Amendment of section 251

134. Section 251 of the principal Act is amended —

(*a*) by inserting, immediately after the word "securities" wherever it appears in subsections (1), (2), (3), (6)(*c*) and (8), the words "or securities-based derivatives contracts";

(*b*) by deleting paragraph (i) of subsection (2) and substituting the following paragraph:

"(i) forms part of the normal advertising —

(A) of an entity's products or services and is genuinely directed at maintaining its existing customers, or attracting new customers, for those products or services; or

(B) by a trustee-manager of a business trust on behalf of the business trust in respect of the products or services offered by the trustee-manager on behalf of the business trust, and is genuinely directed at maintaining existing customers, or attracting new customers, for those products or services;";

(*c*) by inserting, immediately after the word "entity" in subsection (2)(ii), the words "or the business trust";

(*d*) by deleting paragraph (*b*) of subsection (4) and substituting the following paragraph:

"(*b*) by presenting oral or written material on matters contained in a prospectus, profile statement or product highlights sheet which has been lodged with the Authority in

respect of an offer of securities or securities-based derivatives contracts, before the prospectus or profile statement is registered by the Authority, for the sole purpose of equipping any of the following persons with knowledge of the securities or securities-based derivatives contracts in order to enable the person to carry on the regulated activity of dealing in capital markets products that are securities or securities-based derivatives contracts, or to provide any financial advisory service in relation to the securities or securities-based derivatives contracts:

(i) a person licensed under this Act in respect of dealing in capital markets products that are securities or securities-based derivatives contracts;

(ii) an exempt person;

(iii) a person who is a representative in respect of dealing in capital markets products that are securities or securities-based derivatives contracts under this Act;

(iv) a representative of an exempt person;

(v) a person licensed under the Financial Advisers Act (Cap. 110) in respect of advising on any investment product;

(vi) an exempt financial adviser;

(vii) a person who is a representative in respect of advising on any investment product under the Financial Advisers Act;

(viii) a representative of an exempt financial adviser.";

(*e*) by deleting subsection (5) and substituting the following subsection:

"(5) To avoid doubt, a person may disseminate any of the following without contravening subsection (1):

(*a*) a prospectus or profile statement that has been registered by the Authority under section 240;

(*b*) a product highlights sheet in respect of which section 240AA(1)(*a*) and (*b*) has been complied with and which is disseminated with a prospectus or profile statement that has been registered by the Authority under section 240.";

(*f*) by deleting paragraph (*a*) of subsection (6) and substituting the following paragraph:

"(*a*) a statement that identifies —

(i) in the case of an offer of securities or securities-based derivatives contracts being units or derivatives of units in a business trust, the units or derivatives of units, the person making the offer, the issuer, the business trust and the trustee-manager of the business trust; and

(ii) in any other case, the securities, securities-based derivatives contracts, the person making the offer, the issuer and, where applicable, the underlying entity;";

(*g*) by deleting the words "a securities exchange, futures exchange or overseas securities exchange" in

subsection (9)(*a*) and substituting the words "an approved exchange or overseas exchange";

(*h*) by deleting the words "the underlying entity or any entity" in subsection (9)(*b*) and substituting the words "the trustee-manager of the business trust, the underlying entity, the unitholders of the business trust or any entity";

(*i*) by deleting paragraph (*c*) of subsection (9) and substituting the following paragraph:

"(*c*) consists solely of a report about the issuer, the business trust or the underlying entity that is published by the person making the offer, the issuer, the trustee-manager of the business trust or the underlying entity (as the case may be), which —

(i) does not contain information that materially affects the affairs of the issuer, the business trust or the underlying entity other than information previously made available in a prospectus that has been registered by the Authority, an annual report or a disclosure, notice or report mentioned in paragraph (*a*) or (*b*); and

(ii) does not refer (directly or indirectly) to the offer or intended offer;";

(*j*) by inserting, immediately after the words "the issuer" in subsection (9)(*d*), the words ", the trustee-manager of the business trust";

(*k*) by deleting paragraph (*f*) of subsection (9) and substituting the following paragraph:

"(*f*) is a report about the securities or securities-based derivatives contracts which are the subject of the offer or

intended offer, published by someone who is not —

(i) the person making the offer, the issuer, the underlying entity or (where the securities or securities-based derivatives contracts are units or derivatives of units in a business trust) the trustee-manager of the business trust;

(ii) a director or an equivalent person of the person making the offer, the issuer, the underlying entity or (where the securities or securities-based derivatives contracts are units or derivatives of units in a business trust) the trustee-manager of the business trust;

(iii) a person who has an interest in the success of the issue or sale of the securities or securities-based derivatives contracts; or

(iv) a person acting at the instigation of, or by arrangement with, any person mentioned in sub-paragraph (i), (ii) or (iii);";

(*l*) by deleting the words "or the underlying entity" in subsection (9)(*h*) and substituting the words ", the underlying entity or (where the offer is of units or derivatives of units in a business trust) the trustee-manager of the business trust";

(*m*) by deleting subsection (12) and substituting the following subsection:

"(12) Any person who —

(*a*) contravenes subsection (1); or

(*b*) knowingly authorises or permits the publication or dissemination of any advertisement or statement mentioned in subsection (1),

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding $5,000 for every day or part of a day during which the offence continues after conviction.";

(*n*) by inserting, immediately after the words "affairs of the entity" in subsection (18), the words "or the business trust";

(*o*) by deleting the words "dealing in securities" in paragraph (*a*) of the definition of "representative" in subsection (18A) and substituting the words "dealing in capital markets products that are securities or securities-based derivatives contracts"; and

(*p*) by deleting the words "affairs of the issuer or underlying entity" in subsection (19) and substituting the words "affairs of the issuer, underlying entity or business trust".

Amendment of section 252

135. Section 252(1) of the principal Act is amended by inserting, immediately after the word "securities", the words "or securities-based derivatives contracts".

Amendment of section 253

136. Section 253 of the principal Act is amended by inserting, immediately after the word "securities" wherever it appears in subsections (1) and (4), the words "or securities-based derivatives contracts".

Amendment of section 254

137. Section 254 of the principal Act is amended by inserting, immediately after the word "securities" wherever it appears in

subsections (1), (3) and (4), the words "or securities-based derivatives contracts".

Amendment of section 257

138. Section 257 of the principal Act is amended —

(*a*) by deleting paragraph (*a*) of subsection (1) and substituting the following paragraph:

"(*a*) an entity allots or agrees to allot to any person any securities or securities-based derivatives contracts of the entity or a business trust, as the case may be, with a view to all or any of them being subsequently offered for sale to another person; and"; and

(*b*) by inserting, immediately after the word "securities" wherever it appears in subsections (2), (3) and (5) and in the section heading, the words "or securities-based derivatives contracts".

Amendment of section 258

139. Section 258(1) of the principal Act is amended by inserting, immediately after the word "securities" wherever it appears, the words "or securities-based derivatives contracts".

Amendment of section 259

140. Section 259 of the principal Act is amended —

(*a*) by inserting, immediately after the words "permission for the securities" in subsection (1), the words "or securities-based derivatives contracts";

(*b*) by deleting the words "securities exchange" wherever they appear in subsection (1) and substituting in each case the words "approved exchange";

(*c*) by inserting, immediately after the words "made of securities" in subsection (1)(i), the words "or securities-based derivatives contracts";

(*d*) by inserting, immediately after the words "allot such securities" in subsection (1)(ii), the words "or securities-based derivatives contracts";

(*e*) by deleting subsection (3) and substituting the following subsection:

"(3) Where in relation to any securities or securities-based derivatives contracts —

(*a*) permission is not applied for as mentioned in subsection (1)(*a*); or

(*b*) permission is not granted as mentioned in subsection (1)(*b*),

the Authority may, on the application of the issuer made before any of the securities or securities-based derivatives contracts is purported to be allotted, exempt the allotment of the securities or securities-based derivatives contracts from the provisions of this section, and the Authority must give notice of such exemption in the *Gazette*.";

(*f*) by inserting, immediately after the word "securities" wherever it appears in subsections (5) and (6), the words "or securities-based derivatives contracts";

(*g*) by deleting the words "securities exchange" wherever they appear in subsection (9) and substituting in each case the words "approved exchange";

(*h*) by deleting subsection (11) and substituting the following subsection:

"(11) A person must not issue a prospectus inviting persons to subscribe for securities or securities-based derivatives contracts of an entity if it includes —

(*a*) a false or misleading statement that permission has been granted for those securities or securities-based derivatives contracts to be listed for quotation on,

dealt in or quoted on any approved exchange; or

(*b*) any statement in any way referring to any such permission or to any application or intended application for any such permission, or to listing for quotation, dealing in or quoting the securities or securities-based derivatives contracts on any approved exchange, or to any requirement of an approved exchange, unless —

(i) that statement is or is to the effect that permission has been granted, or that application has been or will be made to the approved exchange within 3 days after the date of the issue of the prospectus; or

(ii) that statement has been approved by the Authority for inclusion in the prospectus.";

(*i*) by deleting the words "securities exchange" wherever they appear in subsection (13) and substituting in each case the words "approved exchange";

(*j*) by inserting, immediately after the words "for the securities" in subsection (13), the words "or securities-based derivatives contracts"; and

(*k*) by deleting the section heading and substituting the following section heading:

"**Allotment of securities or securities-based derivatives contracts where prospectus indicates application to list on approved exchange**".

Amendment of section 260

141. Section 260 of the principal Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsections:

"(1) A person must not make an allotment of any securities or securities-based derivatives contracts of a company or business trust unless —

(*a*) the minimum subscription has been subscribed; and

(*b*) the sum payable on application for the securities or securities-based derivatives contracts so subscribed has been received by the company or the trustee-manager (as the case may be).

(1A) Despite subsection (1), if a cheque for the sum payable mentioned in subsection (1) has been received by the company or the trustee-manager of the business trust (as the case may be), the sum is treated as not having been received by the company or the trustee-manager (as the case may be) until the cheque is paid by the bank on which the cheque is drawn.";

(*b*) by deleting the words "or each unit of share or debenture," in subsection (2)(*a*) and substituting the words "each unit of share or debenture, or each unit or derivative of a unit in a business trust,";

(*c*) by deleting subsection (3) and substituting the following subsection:

"(3) The amount payable on application on each share or debenture, or each unit of share or debenture, or each unit or derivative of a unit in a business trust,

offered must not be less than 5% of the price at which the share or debenture, or unit of share or debenture, or unit or derivative of a unit in a business trust, is or will be offered.";

(*d*) by inserting, immediately after the word "securities" in subsections (4) and (9), the words "or securities-based derivatives contracts"; and

(*e*) by deleting subsections (5), (6) and (7) and substituting the following subsections:

"(5) If any money mentioned in subsection (4) is not repaid within 5 months after the issue of the prospectus, the directors of the company or the directors of the trustee-manager of the business trust (as the case may be) are jointly and severally liable to repay that money with interest at the rate of 10% per annum from the expiration of the period of 5 months.

(6) A director is not liable under subsection (5) if the director proves that the default in the repayment of the money was not due to any misconduct or negligence on the part of the director.

(7) An allotment made by a company or a trustee-manager of a business trust to an applicant in contravention of this section is voidable at the option of the applicant, which option may be exercised by written notice served —

(*a*) if the allotment is made by a company, on the company —

(i) within one month after the holding of the statutory meeting of the company; or

(ii) where the company is not required to hold a statutory meeting, or where the allotment is made after the holding of the statutory meeting, within one

month after the date of the allotment; or

(*b*) if the allotment is made by a trustee-manager of a business trust, on the trustee-manager of the business trust within one month after the date of the allotment.

(7A) The allotment mentioned in subsection (7) is voidable even if the company or business trust is in the course of being wound up.

(7B) A trustee-manager of a business trust which contravenes any of the provisions of this section shall be guilty of an offence and shall be liable, in addition to the penalty or punishment for the offence —

(*a*) to pay into the trust property of the business trust any loss, damages or costs which the business trust (represented by any diminishment in value to the trust property of the business trust) has sustained or incurred as a consequence of such contravention; and

(*b*) to compensate the allottee for any loss, damages or costs which the allottee has sustained or incurred as a consequence of such contravention.

(7C) Every director of a trustee-manager of a business trust who knowingly contravenes or permits or authorises the contravention of any of the provisions of this section shall be guilty of an offence and shall be liable, in addition to the penalty or punishment for the offence —

(*a*) to pay into the trust property of the business trust any loss, damages or costs which the business trust (represented by any diminishment in value to the trust property of the business trust) has

sustained or incurred as a consequence of such contravention; and

(*b*) to compensate the allottee for any loss, damages or costs which the allottee has sustained or incurred as a consequence of such contravention.

(7D) Every director of a company who knowingly contravenes or permits or authorises the contravention of any of the provisions of this section shall be guilty of an offence and shall be liable, in addition to the penalty or punishment for the offence —

(*a*) to compensate the company for any loss, damages or costs which the company has sustained or incurred as a consequence of such contravention; and

(*b*) to compensate the allottee for any loss, damages or costs which the allottee has sustained or incurred as a consequence of such contravention.".

Amendment of section 267A

142. Section 267A of the principal Act is amended —

(*a*) by deleting the words "a securities exchange" and substituting the words "an approved exchange";

(*b*) by deleting the words "that securities exchange" and substituting the words "that approved exchange"; and

(*c*) by deleting the words "securities exchange" in the section heading and substituting the words "approved exchange".

Amendment of section 268A

143. Section 268A of the principal Act is amended —

(*a*) by deleting the words "a securities exchange" in subsection (1) and substituting the words "an approved exchange"; and

(*b*) by deleting the words "securities exchange" in the section heading and substituting the words "approved exchange".

Repeal and re-enactment of section 272

144. Section 272 of the principal Act is repealed and the following section substituted therefor:

"**Issue or transfer of securities or securities-based derivatives contracts for no consideration**

272.—(1) Subdivisions (2) and (3) of this Division (other than section 257) do not apply to an offer of securities being shares or debentures of an entity, or units in a business trust, if no consideration is or will be given for the issue or transfer of the shares or debentures, or units in a business trust (as the case may be).

(2) Subdivisions (2) and (3) of this Division (other than section 257) do not apply to an offer of securities-based derivatives contracts being units of shares or debentures of an entity, or derivatives of units in a business trust, if —

(*a*) no consideration is or will be given for the issue or transfer of the units of shares or debentures of the entity, or derivatives of units in the business trust; and

(*b*) no consideration is or will be given for the underlying shares or debentures of the entity, or units in the business trust (as the case may be) on the exercise or conversion of the units of shares or debentures of the entity, or derivatives of units in the business trust (as the case may be).".

Amendment of section 272A

145. Section 272A of the principal Act is amended —

(*a*) by deleting the words "of an entity" in subsection (1) and substituting the words "or securities-based derivatives contracts of an entity or a business trust";

(*b*) by deleting sub-paragraph (i) of subsection (1)(*b*) and substituting the following sub-paragraph:

"(i) a statement in writing that states —

(A) where units or derivatives of units in a business trust are being offered and the business trust is not registered under the Business Trusts Act (Cap. 31A) —

"This offer is made in reliance on the exemption under section 272A(1) of the Securities and Futures Act. It is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore and the business trust is not registered under the Business Trusts Act."; and

(B) in any other case —

"This offer is made in reliance on the exemption under section 272A(1) of the Securities and Futures Act. It is not made in or accompanied by a prospectus that is registered by the

Monetary Authority of Singapore."; and";

(*c*) by inserting, immediately after the word "securities" wherever it appears in subsections (1)(*b*)(ii), (4), (7), (8)(*b*) and (*c*)(iii)(B) and (10)(i)(B), the words "or securities-based derivatives contracts";

(*d*) by deleting sub-paragraphs (i), (ii) and (iii) of subsection (1)(*d*) and substituting the following sub-paragraphs:

"(i) the holder of a capital markets services licence to deal in capital markets products that are securities or securities-based derivatives contracts;

(ii) an exempt person in respect of dealing in capital markets products that are securities or securities-based derivatives contracts; or

(iii) a person —

(A) who is licensed, approved, authorised or otherwise regulated under the laws, codes or other requirements of any foreign jurisdiction in respect of dealing in capital markets products that are securities or securities-based derivatives contracts; or

(B) who is exempted from the laws, codes or requirements mentioned in sub-paragraph (A) in respect of dealing in capital markets products that are securities or

securities-based derivatives contracts; and";

(*e*) by inserting, immediately after the words "a personal offer of securities" in subsection (3), the words "or securities-based derivatives contracts";

(*f*) by deleting sub-paragraphs (B) and (C) of subsection (3)(*b*)(iii) and substituting the following sub-paragraphs:

"(B) the holder of a capital markets services licence to deal in capital markets products that are securities or securities-based derivatives contracts;

(C) an exempt person in respect of dealing in capital markets products that are securities or securities-based derivatives contracts;";

(*g*) by deleting sub-paragraph (F) of subsection (3)(*b*)(iii) and substituting the following sub-paragraph:

"(F) a person —

(FA) who is licensed, approved, authorised or otherwise regulated under the laws, codes or other requirements of any foreign jurisdiction in respect of dealing in capital markets products that are securities or securities-based derivatives contracts;

(FB) who is exempted from the laws, codes or requirements mentioned in sub-paragraph (FA) in respect of dealing in capital markets products that are securities or securities-based derivatives contracts;

(FC) who is licensed, approved, authorised or otherwise regulated under the laws, codes or other requirements of any foreign jurisdiction in respect of the provision of financial advisory services concerning investment products; or

(FD) who is exempted from the laws, codes or requirements mentioned in sub-paragraph (FC) in respect of the provision of financial advisory services concerning investment products,";

(*h*) by deleting subsection (5) and substituting the following subsection:

"(5) In determining whether the amount raised by a person from offers within a period of 12 months

exceeds the applicable amount mentioned in subsection (1)(*a*), each amount raised —

(*a*) by that person from any offer of securities or securities-based derivatives contracts issued by the same entity; or

(*b*) by that person or another person from any offer of securities or securities-based derivatives contracts of an entity or a business trust, or units in a collective investment scheme, which is a closely related offer,

if any, within that period in reliance on the exemption under subsection (1) or section 302B(1) must be included.";

(*i*) by deleting the words "acquired through an offer made in reliance on the exemption under subsection (1) (referred to in this subsection as an initial offer) are subsequently sold by the person who acquired the securities" in subsection (8) and substituting the words "or securities-based derivatives contracts acquired through an offer made in reliance on the exemption under subsection (1) (called in this subsection an initial offer) are subsequently sold by the person who acquired the securities or securities-based derivatives contracts";

(*j*) by deleting sub-paragraphs (CB) and (CC) of subsection (8)(*c*)(ii)(C) and substituting the following sub-paragraphs:

"(CB) the holder of a capital markets services licence to deal in capital markets products that are securities or securities-based derivatives contracts;

(CC) an exempt person in respect of dealing in capital markets

products that are securities or securities-based derivatives contracts;";

(*k*) by deleting sub-paragraph (CF) of subsection (8)(*c*)(ii)(C) and substituting the following sub-paragraphs:

"(CF) a person who is licensed, approved, authorised or otherwise regulated under the laws, codes or other requirements of any foreign jurisdiction in respect of dealing in capital markets products that are securities or securities-based derivatives contracts;

(CG) a person who is exempt from the laws, codes or requirements mentioned in sub-paragraph (CF) in respect of dealing in capital markets products that are securities or securities-based derivatives contracts;

(CH) a person who is licensed, approved, authorised or otherwise regulated under the laws, codes or other requirements of any foreign jurisdiction in respect of the provision of financial advisory services concerning investment products; or

(CI) a person who is exempt from the laws, codes or requirements mentioned in sub-paragraph (CH) in respect

of the provision of financial advisory services concerning investment products,";

(*l*) by deleting sub-paragraph (A) of subsection (8)(*c*)(iii) and substituting the following sub-paragraph:

"(A) a statement in writing that states —

(AA) where units or derivatives of units in a business trust are being offered and the business trust is not registered under the Business Trusts Act (Cap. 31A) —

"This offer is made in reliance on the exemption under section 272A(8)(*c*) of the Securities and Futures Act. It is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore and the business trust is not registered under the Business Trusts Act."; and

(AB) in any other case —

"This offer is made in reliance on the exemption under section 272A(8)(*c*) of

the Securities and Futures Act. It is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore.";";

(*m*) by deleting sub-paragraphs (A), (B) and (C) of subsection (8)(*c*)(v) and substituting the following sub-paragraphs:

"(A) the holder of a capital markets services licence to deal in capital markets products that are securities or securities-based derivatives contracts;

(B) an exempt person in respect of dealing in capital markets products that are securities or securities-based derivatives contracts;

(C) a person who is licensed, approved, authorised or otherwise regulated under the laws, codes or other requirements of any foreign jurisdiction in respect of dealing in capital markets products that are securities or securities-based derivatives contracts; or

(D) a person who is exempt from the laws, codes or requirements mentioned in sub-paragraph (C) in respect of dealing in capital markets products that are securities or securities-based derivatives contracts.";

(*n*) by inserting, immediately after the words "an offer of securities" in subsection (10), the words "or securities-based derivatives contracts";

(*o*) by deleting sub-paragraph (A) of subsection (10)(i) and substituting the following sub-paragraph:

"(A) purporting to describe the securities or securities-based derivatives contracts being offered, or the business and affairs of the person making the offer, the issuer or (where applicable) the underlying entity, or (where the securities or securities-based derivatives contracts being offered are units or derivatives of units in a business trust) the business trust; and";

(*p*) by deleting the words "a securities exchange, futures exchange or overseas securities exchange" in subsection (10)(ii) and substituting the words "an approved exchange or overseas exchange";

(*q*) by inserting, immediately after the words "the issuer," in subsection (10)(iii), the words "the unitholders of the business trust,"; and

(*r*) by deleting subsection (11) and substituting the following subsection:

"(11) In subsection (10)(i)(A), the reference to the affairs of the person making the offer, the issuer, the underlying entity or the business trust includes —

(*a*) in the case where the person making the offer, the issuer or the underlying entity is a corporation, a reference to the matters mentioned in section 2(2);

(*b*) in any other case, a reference to such matters as may be prescribed by regulations made under section 341.".

Amendment of section 272B

146. Section 272B of the principal Act is amended —

(*a*) by deleting the words "of an entity" in subsection (1) and substituting the words "or securities-based derivatives contracts of an entity or of a business trust";

(*b*) by deleting sub-paragraphs (i), (ii) and (iii) of subsection (1)(*c*) and substituting the following sub-paragraphs:

"(i) the holder of a capital markets services licence to deal in capital markets products that are securities or securities-based derivatives contracts;

(ii) an exempt person in respect of dealing in capital markets products that are securities or securities-based derivatives contracts;

(iii) a person who is licensed, approved, authorised or otherwise regulated under the laws, codes or other requirements of any foreign jurisdiction in respect of dealing in capital markets products that are securities or securities-based derivatives contracts; or

(iv) a person who is exempt from the laws, codes or requirements mentioned in sub-paragraph (iii) in respect of dealing in capital markets products that are securities or securities-based derivatives contracts; and";

(*c*) by deleting subsection (3) and substituting the following subsection:

"(3) In determining whether offers of securities or securities-based derivatives contracts by a person are made to no more than the applicable number of persons specified in subsection (1)(*a*) within a period of 12 months, the following persons must be included:

(*a*) each person to whom an offer of securities or securities-based derivatives contracts issued by the same entity is made by the firstmentioned person within that period in reliance on the exemption under this section;

(*b*) each person to whom an offer of securities or securities-based derivatives contracts of an entity or a business trust, or units in a collective investment scheme, is made by the firstmentioned person or another person where such offer is a closely related offer, within that period in reliance on the exemption under this section or section 302C."; and

(*d*) by inserting, immediately after the word "securities" wherever it appears in subsection (5), the words "or securities-based derivatives contracts".

Amendment of section 273

147. Section 273 of the principal Act is amended —

(*a*) by deleting the words "Subdivisions (2) and (3) of this Division (other than section 257) shall not apply to an offer of securities" in subsection (1) and substituting the words "Subject to subsection (5), Subdivisions (2) and (3) of this Division (other than section 257) do not apply to an offer of securities or securities-based derivatives contracts";

(*b*) by inserting, immediately after the word "securities" wherever it appears in subsections (1)(*cc*) and (*ci*) and (5), the words "or securities-based derivatives contracts";

(*c*) by inserting, immediately after the words "offer of securities" in subsection (1)(*cd*), the words "or securities-based derivatives contracts";

(*d*) by inserting, immediately after the words "whose securities" in subsection (1)(*cd*)(i) and (ii), the words "or securities-based derivatives contracts";

(*e*) by deleting the words "a securities exchange" wherever they appear in subsection (1)(*cd*), (*ce*), (*cf*), (*cg*), (*ch*) and (*d*) and substituting in each case the words "an approved exchange";

(*f*) by inserting, immediately after paragraph (*ci*) of subsection (1), the following paragraphs:

"(*cj*) it is an offer of units in a business trust, whose units are listed for quotation on an approved exchange, made to —

(i) any existing unitholder of the business trust; or

(ii) any holder of any debenture of the trustee-manager of the business trust that is issued by the trustee-manager of the business trust in its capacity as trustee-manager of the business trust;

(*ck*) it is an offer of derivatives of units in a business trust, whose units are listed for quotation on an approved exchange, made to —

(i) any existing unitholder of the business trust, where such derivatives of units may only be exercised or converted by the existing unitholder into units of the business trust; or

(ii) any holder of any debenture of the trustee-manager of the business trust

that is issued by the trustee-manager of the business trust in its capacity as trustee-manager of the business trust, where such derivatives of units may only be exercised or converted by the holder of debentures into units of the business trust;";

(*g*) by inserting, immediately after paragraph (*d*) of subsection (1), the following paragraph:

"(*da*) it is an offer of units in a business trust (not being such excluded units in a business trust as may be prescribed by regulations made under section 341) that —

(i) have been previously issued;

(ii) are listed for quotation or quoted on an approved exchange; and

(iii) are traded on the approved exchange;";

(*h*) by deleting paragraphs (*e*) and (*f*) of subsection (1) and substituting the following paragraphs:

"(*e*) it is an offer of securities-based derivatives contracts (not being such excluded securities-based derivatives contracts as may be prescribed by regulations made under section 341) that —

(i) have been previously issued;

(ii) are listed for quotation or quoted on an approved exchange; and

(iii) are traded on the approved exchange;

(*f*) it is an offer of securities-based derivatives contracts (not being such excluded securities-based derivatives contracts as may be prescribed by regulations made under section 341) where —

(i) the discharge of the obligations under, or the value of, the securities-based derivatives contracts is determined wholly (whether directly or indirectly) by reference to, is derived from, or varies by reference to the value or amount of one or more securities indices; and

(ii) an application has been or will be made for permission for the securities-based derivatives contracts to be listed for quotation or quoted on an approved exchange;

(*g*) it is an offer of securities-based derivatives contracts (not being such excluded securities-based derivatives contracts as may be prescribed by regulations made under section 341) where —

(i) the obligations under the securities-based derivatives contracts are to be discharged by one party to the other at some future time by cash settlement only;

(ii) all underlying securities of the securities-based derivatives contracts have been previously issued and are listed for quotation on an organised market (not being such excluded organised market as may be prescribed by regulations made under section 341); and

(iii) either of the following is satisfied:

(A) an application has been or will be made for permission for the securities-based derivatives contracts to be listed for

quotation or quoted on an approved exchange;

(B) the offer complies with such disclosure requirements prescribed by regulations made under section 341;

(*h*) it is an offer of securities-based derivatives contracts (not being such excluded securities-based derivatives contracts as may be prescribed by regulations made under section 341) where —

(i) the obligations under the securities-based derivatives contracts are to be discharged by one party to the other at some future time other than by cash settlement only;

(ii) all underlying securities of the securities-based derivatives contracts have been previously issued and are listed for quotation on an approved exchange or a recognised securities exchange; and

(iii) an application has been or will be made for permission for the securities-based derivatives contracts to be listed for quotation or quoted on an approved exchange;

(*i*) it is made (whether or not in relation to securities or securities-based derivatives contracts that have been previously issued) by an entity to a qualifying person, where the securities or securities-based derivatives contracts are to be held by or for the benefit of the qualifying person and are the securities or

securities-based derivatives contracts of the entity or any of its related parties; or

(*j*) it is made (whether or not in relation to securities or securities-based derivatives contracts that have been previously issued) by a trustee-manager of a business trust to a qualifying person, where the securities or securities-based derivatives contracts are to be held by or for the benefit of the qualifying person and are the securities or securities-based derivatives contracts of the business trust or any of its related parties.";

(*i*) by deleting subsections (1A) and (2) and substituting the following subsections:

"(1A) An offer of securities or securities-based derivatives contracts does not come within subsection (1)(*d*), (*da*) or (*e*) if —

(*a*) the securities or securities-based derivatives contracts being offered are borrowed by the issuer from any of the following persons solely for the purpose of facilitating the offer of securities or securities-based derivatives contracts by the issuer:

(i) an existing shareholder of the issuer;

(ii) a holder of a debenture of the issuer;

(iii) (where the securities or securities-based derivatives contracts offered are units or derivatives of units in a business trust) an existing holder of units or holder of derivatives of units in the business trust; or

(iv) a holder of units of shares or debentures of the issuer; and

(*b*) such borrowing is made under an agreement or arrangement between the issuer and the person mentioned in paragraph (*a*) which promises the issue or allotment of securities or securities-based derivatives contracts by the issuer to the person at the same time or shortly after the offer.

(2) An offer of securities or securities-based derivatives contracts comes within subsection (1)(*i*) or (*j*) only if no selling or promotional expenses are paid or incurred in connection with the offer other than those incurred —

(*a*) for administrative or professional services; or

(*b*) by way of commission or fee for services rendered by —

(i) the holder of a capital markets services licence to deal in capital markets products that are securities or securities-based derivatives contracts;

(ii) an exempt person in respect of dealing in capital markets products that are securities or securities-based derivatives contracts;

(iii) a person who is licensed, approved, authorised or otherwise regulated under the laws, codes or other requirements of any foreign jurisdiction in respect of dealing in capital markets products that are securities or securities-based derivatives contracts; or

(iv) a person who is exempt from the laws, codes or requirements mentioned in sub-paragraph (iii) in respect of dealing in capital markets products that are securities or securities-based derivatives contracts.";

(*j*) by deleting subsection (4) and substituting the following subsection:

"(4) For the purposes of subsection (1)(*i*) and (*j*) —

(*a*) a person is a qualifying person in relation to an entity if the person is —

(i) a bona fide director or equivalent person, former director or equivalent person, consultant, adviser, employee or former employee of the entity or a related corporation of that entity (being a corporation); or

(ii) the spouse, widow, widower or a child, adopted child or stepchild below the age of 18, of such director or equivalent person, former director or equivalent person, employee or former employee; and

(*b*) a person is a qualifying person in relation to a business trust if the person is —

(i) a bona fide director or equivalent person, former director or equivalent person, consultant, adviser, employee or former employee of the trustee-manager of the business trust or a related corporation of that trustee-manager (being a corporation); or

(ii) the spouse, widow, widower or a child, adopted child or stepchild below the age of 18, of such director or equivalent person, former director or equivalent person, employee or former employee.";

(*k*) by deleting subsection (8A) and substituting the following subsection:

"(8A) A person must not —

(*a*) advertise an offer or intended offer of any securities or securities-based derivatives contracts mentioned in subsection (1)(*d*), (*da*) or (*e*); or

(*b*) publish a statement that —

(i) directly or indirectly, refers to an offer or intended offer of any securities or securities-based derivatives contracts mentioned in subsection (1)(*d*), (*da*) or (*e*); or

(ii) is reasonably likely to induce persons to subscribe for or purchase the securities or securities-based derivatives contracts to which the offer relates,

unless the advertisement or publication complies with such requirements as may be prescribed by regulations made under section 341."; and

(*l*) by deleting paragraph (*b*) of subsection (9) and substituting the following paragraph:

"(*b*) the shares or debentures, or units of shares or debentures, of which are not listed for quotation on any approved exchange.".

Amendment of section 274

148. Section 274 of the principal Act is amended by inserting, immediately after the word "securities", the words "or securities-based derivatives contracts".

Amendment of section 275

149. Section 275 of the principal Act is amended —

(*a*) by inserting, immediately after the words "offer of securities" in subsection (1), the words "or securities-based derivatives contracts";

(*b*) by deleting sub-paragraphs (i), (ii) and (iii) of subsection (1)(*b*) and substituting the following sub-paragraphs:

"(i) the holder of a capital markets services licence to deal in capital markets products that are securities or securities-based derivatives contracts;

(ii) an exempt person in respect of dealing in capital markets products that are securities or securities-based derivatives contracts;

(iii) a person who is licensed, approved, authorised or otherwise regulated under the laws, codes or other requirements of any foreign jurisdiction in respect of dealing in capital markets products that are securities or securities-based derivatives contracts; or

(iv) a person who is exempt from the laws, codes or requirements mentioned in sub-paragraph (iii) in respect of dealing in capital markets products that are securities or

securities-based derivatives contracts; and";

(*c*) by deleting the words "to a person who acquires the securities as principal, whether or not the securities" in subsection (1A) and substituting the words "or securities-based derivatives contracts to a person who acquires the securities or securities-based derivatives contracts as principal, whether or not the securities or securities-based derivatives contracts";

(*d*) by inserting, immediately after the words "that the securities" in subsection (1A)(*a*), the words "or securities-based derivatives contracts";

(*e*) by inserting, immediately after the words "exchange of securities" in subsection (1A)(*a*), the words ", securities-based derivatives contracts";

(*f*) by deleting sub-paragraphs (i), (ii) and (iii) of subsection (1A)(*c*) and substituting the following sub-paragraphs:

"(i) the holder of a capital markets services licence to deal in capital markets products that are securities or securities-based derivatives contracts;

(ii) an exempt person in respect of dealing in capital markets products that are securities or securities-based derivatives contracts;

(iii) a person who is licensed, approved, authorised or otherwise regulated under the laws, codes or other requirements of any foreign jurisdiction in respect of dealing in capital markets products that are securities or securities-based derivatives contracts; or

(iv) a person who is exempt from the laws, codes or requirements mentioned in sub-paragraph (iii) in respect of dealing in capital markets products that are securities or securities-based derivatives contracts; and";

(*g*) by deleting the definitions of "advertisement" and "information memorandum" in subsection (2) and substituting the following definitions:

" "advertisement" means —

(*a*) a written or printed communication;

(*b*) a communication by radio, television or other medium of communication; or

(*c*) a communication by means of a recorded telephone message,

that is published in connection with an offer in respect of securities or securities-based derivatives contracts, but does not include —

(i) an information memorandum;

(ii) a publication which consists solely of a disclosure, notice or report required under this Act, or any listing rules or other requirements of an approved exchange or overseas exchange, which is made by any person; or

(iii) a publication which consists solely of a notice or report of a general meeting or proposed general meeting of the unitholders of the business trust, the person making the offer, the issuer, the underlying entity or any entity, or a presentation of oral or written

material on matters so contained in the notice or report at the general meeting;

"information memorandum" means a document —

(*a*) purporting to describe —

(i) the securities or securities-based derivatives contracts being offered; or

(ii) the business and affairs of the person making the offer, the issuer or (where applicable) the underlying entity, or (where the securities or securities-based derivatives contracts being offered are units or derivatives of units in a business trust) the trustee-manager of the business trust or the business trust; and

(*b*) purporting to have been prepared for delivery to, and review by, relevant persons and persons to whom an offer mentioned in subsection (1A) is to be made, so as to assist them in making an investment decision in respect of the securities or securities-based derivatives contracts being offered;"; and

(*h*) by deleting subsections (2A) and (3) and substituting the following subsections:

"(2A) In the definition of "information memorandum" in subsection (2), the reference to the affairs of the person making the offer, the issuer, the

underlying entity, the trustee-manager of the business trust or the business trust includes —

(*a*) where the person making the offer, the issuer, the underlying entity or the trustee-manager is a corporation, a reference to the matters mentioned in section 2(2); and

(*b*) in any other case, a reference to such matters as may be prescribed by regulations made under section 341.

(3) Despite any condition in section 99 or any regulation made for the purposes of that section that a person has to deal in capital markets products that are securities or securities-based derivatives contracts for the person's own account with or through a person prescribed by the Authority so that the firstmentioned person can qualify as an exempt person, a person who acquires securities or securities-based derivatives contracts under an offer made in reliance on an exemption under section 274 or subsection (1) or (1A) for the person's own account is treated as an exempt person even though the person does not comply with that condition.".

Amendment of section 276

150. Section 276 of the principal Act is amended —

(*a*) by inserting, immediately after the word "securities" wherever it appears in subsections (1), (2), (3), (4) and (6), the words "or securities-based derivatives contracts";

(*b*) by deleting subsection (1A) and substituting the following subsection:

"(1A) The reference to the sale of securities or securities-based derivatives contracts under subsection (1) includes —

(*a*) where the securities or securities-based derivatives contracts initially acquired are debentures, or units of shares or debentures, with an attached right of conversion into shares or debentures, a reference to the sale of the converted shares or debentures; and

(*b*) where the securities or securities-based derivatives contracts initially acquired are derivatives of units in a business trust, with an attached right of conversion into units in the business trust, a reference to the sale of the units in the business trust.”; and

(*c*) by deleting subsection (7) and substituting the following subsection:

“(7) Subsections (1), (3) and (4) do not apply where the securities or securities-based derivatives contracts of the corporation that are acquired are of the same class as other securities or securities-based derivatives contracts of the corporation —

(*a*) that are listed for quotation on an approved exchange; and

(*b*) in respect of which any offer information statement, introductory document, shareholders’ circular for a reverse take-over, document issued for the purposes of a scheme of arrangement, or any other similar document approved by an approved exchange, was issued in connection with —

(i) an offer of those securities or securities-based derivatives contracts; or

(ii) the listing for quotation of those securities or securities-based derivatives contracts.”.

Amendment of section 277

151. Section 277 of the principal Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsection:

"(1) Subject to subsection (1A), Subdivisions (2) and (3) of this Division (other than section 257) do not apply to an offer of securities or securities-based derivatives contracts (not being such securities or securities-based derivatives contracts as may be prescribed by regulations made under section 341) if the following conditions are satisfied:

(*a*) where the securities or securities-based derivatives contracts offered —

(i) are units of shares or debentures, those units of shares or debentures are issued by an entity whose shares are listed for quotation on an approved exchange, whether by means of a rights issue or otherwise; and

(ii) are units or derivatives of units in a business trust, the units or derivatives of units in the business trust are issued by a trustee-manager acting in its capacity as the trustee-manager of the business trust, where units of the business trust which have been previously issued are listed for quotation on an approved exchange, whether by means of a rights issue or otherwise;

(*b*) an offer information statement relating to the offer which complies with such requirements as to form and content as may be prescribed by regulations made

under section 341 is lodged with the Authority;

(*c*) either —

(i) the offer is made in, or accompanied by, the offer information statement mentioned in paragraph (*b*); or

(ii) all the conditions in subsection (1B) are satisfied.";

(*b*) by inserting, immediately after the word "securities" wherever it appears in subsections (1A), (1B) and (7), the words "or securities-based derivatives contracts";

(*c*) by inserting, immediately after subsection (1A), the following subsections:

"(1AB) In relation to an offer of securities —

(*a*) where the securities are issued, whether by means of a rights issue or otherwise, by a subsidiary (called in this section the subsidiary) of an entity whose shares are listed for quotation on an approved exchange (called in this section the listed entity); and

(*b*) where the listed entity has guaranteed, or has agreed to guarantee, unconditionally and irrevocably, all payment obligations (whether in cash, in kind or otherwise) of the subsidiary arising from the securities,

the Authority may, on the application of the subsidiary or the listed entity, declare by notice in writing to the applicant that the provision of an offer information statement in lieu of a prospectus relating to an offer of securities would not be prejudicial to investors of such securities.

(1AC) Where the Authority makes a declaration mentioned in subsection (1AB) in relation to an offer

of securities, Subdivisions (2) and (3) of this Division (other than section 257) do not apply to the offer of securities for a period of 6 months starting on the date of the declaration if all of the following conditions are satisfied:

(*a*) the offer information statement relating to the offer of securities —

(i) complies with such requirements as to form and content as may be prescribed by regulations made under section 341;

(ii) is signed by every director, or equivalent person, of the subsidiary and the listed entity; and

(iii) is lodged by the subsidiary or the listed entity, with the Authority;

(*b*) either —

(i) the offer of securities is made in, or accompanied by, the offer information statement mentioned in paragraph (*a*); or

(ii) all the conditions in subsection (1B) are satisfied.

(1AD) The Authority may, on making a declaration under subsection (1AB), provide that the offer of securities may only be made subject to such conditions or restrictions as the Authority may impose.";

(*d*) by deleting the words "referred to in subsection (1)(*c*)(ii)" in subsection (1B) and substituting the words "mentioned in subsections (1)(*c*)(ii) and (1AC)(*b*)(ii)";

(*e*) by inserting, immediately after the words "subsection (1)" in subsection (3), the words "or (1AC)";

(*f*) by deleting the word "and" at the end of subsection (4)(*a*); and

(*g*) by deleting the full-stop at the end of paragraph (*b*) of subsection (4) and substituting the word "; and", and by inserting immediately thereafter the following paragraph:

"(*c*) in relation to an offer information statement mentioned in subsection (1AC), a reference in section 253(4)(*a*), (*b*) or (*c*) or 254(3)(*a*), (*b*) or (*c*) to the person making the offer is to be read as a reference to the subsidiary and the listed entity.".

Amendment of section 278

152. Section 278(1) of the principal Act is amended by deleting the word "securities" in paragraph (*a*) and substituting the words "capital markets products that are securities or securities-based derivatives contracts".

Amendment of section 280

153. Section 280 of the principal Act is amended by inserting, immediately after the word "securities" in subsections (1) and (3), the words "or securities-based derivatives contracts".

New section 280A

154. The principal Act is amended by inserting, immediately after section 280, the following section:

"**Information relating to certain offers**

280A. The Authority may, by regulations made under section 341, require any person or class of persons to furnish the Authority with such information relating to an offer of securities or securities-based derivatives contracts made or proposed to be made in reliance on an exemption under any provision of this Subdivision.".

Repeal of Division 1A of Part XIII

155. Part XIII of the principal Act is amended by repealing Division 1A.

Amendment of section 283

156. Section 283(1) of the principal Act is amended —

(*a*) by inserting, immediately before the definition of "control", the following definition:

" "authorised real estate investment trust" means a real estate investment trust that is a collective investment scheme authorised under section 286;"; and

(*b*) by inserting, immediately after the definition of "prospectus", the following definition:

" "recognised real estate investment trust" means a real estate investment trust that is a collective investment scheme recognised under section 287;".

Amendment of section 286

157. Section 286 of the principal Act is amended —

(*a*) by deleting the words "a securities exchange" in subsection (3)(*a*)(i)(C) and substituting the words "an approved exchange";

(*b*) by inserting, immediately after subsection (10), the following subsections:

"(10A) The manager of an authorised real estate investment trust must —

(*a*) act in the best interests of all the participants of the authorised real estate investment trust as a whole; and

(*b*) give priority to the interests of all the participants of the authorised real estate investment trust as a whole over the

manager's own interests and the interests of the shareholders of the manager in the event of a conflict between the interests of all the participants as a whole and the manager's own interests or the interests of the shareholders of the manager.

(10B) A director of the manager of an authorised real estate investment trust must —

(*a*) take all reasonable steps to ensure that the manager discharges its duties under subsection (10A); and

(*b*) give priority to the interests of all the participants of the authorised real estate investment trust as a whole over the interests of the manager and the shareholders of the manager in the event of a conflict between the interests of all the participants as a whole and the interests of the manager or the shareholders of the manager.

(10C) The duty of a director of the manager mentioned in subsection (10B) overrides any conflicting duty of such director under section 157 of the Companies Act (Cap. 50).

(10D) Civil or criminal proceedings may not be brought against a director of the manager of an authorised real estate investment trust for a breach of section 157 of the Companies Act, any fiduciary duty or any other duty under common law, in relation to any act or omission if such act or omission was required by subsection (10B).

(10E) To avoid doubt, no action or proceedings whatsoever may be brought by or on behalf of all or any of the participants of an authorised real estate investment trust against a director of the manager of that authorised real estate investment trust for any

breach or alleged breach of the duties imposed by subsection (10B) except to the extent and in the manner provided for under section 295C."; and

(*c*) by inserting, immediately after subsection (15), the following subsections:

"(16) A manager of an authorised real estate investment trust which contravenes subsection (10A) —

(*a*) shall be liable to all the participants of the authorised real estate investment trust as a whole —

(i) for any profit or financial gain directly or indirectly made by the manager or any of its related corporations; or

(ii) for any damage suffered by all the participants of the authorised real estate investment trust as a whole,

as a result of the contravention; and

(*b*) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000.

(17) A director of the manager of an authorised real estate investment trust who contravenes subsection (10B) —

(*a*) shall be liable to all the participants of the authorised real estate investment trust as a whole —

(i) for any profit or financial gain directly or indirectly made by the director or the manager or any related corporation of the manager; or

(ii) for any damage suffered by all the participants of the authorised real estate investment trust as a whole,

as a result of the contravention; and

(*b*) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000 or to imprisonment for a term not exceeding 2 years or to both.".

Amendment of section 287

158. Section 287 of the principal Act is amended —

(*a*) by deleting subsections (2) and (3) and substituting the following subsections:

"(2) In determining whether to recognise a collective investment scheme under subsection (1), the Authority may have regard to the following factors:

(*a*) whether the laws and practices of the jurisdictions under which the scheme is constituted and regulated affords to investors in Singapore protection at least equivalent to that provided to them by or under this Division in the case of comparable authorised schemes;

(*b*) such other criteria as may be prescribed by regulations made under section 341.

(3) Unless otherwise notified in writing by the Authority to the responsible person of the collective investment scheme, the following conditions must be satisfied for the recognition of every collective investment scheme under subsection (1):

(*a*) there is a manager for the scheme that —

(i) is licensed or regulated in the jurisdiction of its principal place of business; and

(ii) is a fit and proper person in the opinion of the Authority, and in considering if a person is a fit and proper person, the Authority may take into account any matter relating to —

(A) any person who is or will be employed by or associated with the manager;

(B) any person exercising influence over the manager; or

(C) any person exercising influence over a related corporation of the manager;

(*b*) there is a representative for the scheme for the functions set out in subsection (13) who is —

(i) an individual resident in Singapore; or

(ii) a company, or a foreign company registered under Division 2 of Part XI of the Companies Act (Cap. 50);

(*c*) the scheme, the manager for the scheme and (where applicable) the trustee for the scheme comply with this Act and the Code on Collective Investment Schemes; and

(*d*) the responsible person for the collective investment scheme furnishes to the Authority —

(i) the name of the representative mentioned in paragraph (*b*) and the representative's address (where such representative is a corporation) or contact particulars (where such representative is an individual); and

(ii) any information prescribed by regulations made under section 341.";

(*b*) by deleting subsection (9) and substituting the following subsections:

"(9) The responsible person for a recognised real estate investment trust must ensure that the conditions set out in subsection (3), and every condition or restriction imposed by the Authority under subsection (1)(*c*) or (1A), as applicable to that scheme continues to be satisfied.

(9A) The manager of a recognised real estate investment trust must —

(*a*) act in the best interests of all the participants of the recognised real estate investment trust as a whole; and

(*b*) give priority to the interests of all the participants of the recognised real estate investment trust as a whole over the manager's own interests and the interests of the shareholders of the manager in the event of a conflict between the interests of all the participants as a whole and the manager's own interests or the interests of the shareholders of the manager.

(9B) A director of the manager of a recognised real estate investment trust must —

(*a*) take all reasonable steps to ensure that the manager discharges its duties under subsection (9A); and

(*b*) give priority to the interests of all the participants of the recognised real estate investment trust as a whole over the interests of the manager and the shareholders of the manager in the event of a conflict between the interests of all the participants as a whole and the interests of the manager or the shareholders of the manager.

(9C) A duty of a director of the manager under subsection (9B) overrides any conflicting duty of such director under section 157 of the Companies Act.

(9D) Civil or criminal proceedings may not be brought against a director of the manager of a recognised real estate investment trust for a breach of section 157 of the Companies Act, any fiduciary duty or any other duty under common law, in relation to any act or omission if such act or omission was required by subsection (9B).

(9E) To avoid doubt, no action or proceedings whatsoever may be brought by or on behalf of all or any of the participants of a recognised real estate investment trust against a director of the manager of that recognised real estate investment trust for any breach or alleged breach of the duties imposed by subsection (9B) except to the extent and in the manner provided for under section 295C.";

(*c*) by deleting the words "subsection (2)(*e*)" in subsection (13)(*c*) and substituting the words "subsection (3)(*d*)"; and

(*d*) by inserting, immediately after subsection (14), the following subsections:

"(15) A manager of a recognised real estate investment trust which contravenes subsection (9A) —

(*a*) shall be liable to all the participants of the recognised real estate investment trust as a whole —

(i) for any profit or financial gain directly or indirectly made by the manager or any of its related corporations; or

(ii) for any damage suffered by all the participants of the recognised real estate investment trust as a whole,

as a result of the contravention; and

(*b*) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $100,000.

(16) A director of the manager of a recognised real estate investment trust who contravenes subsection (9B) —

(*a*) shall be liable to all the participants of the recognised real estate investment trust as a whole —

(i) for any profit or financial gain directly or indirectly made by the director or the manager or any related corporation of the manager; or

(ii) for any damage suffered by all the participants of the recognised real estate investment trust as a whole,

as a result of the contravention; and

(*b*) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding

$100,000 or to imprisonment for a term not exceeding 2 years or to both.".

Amendment of section 288

159. Section 288(1) of the principal Act is amended by deleting the word "or" at the end of paragraph (*b*), and by inserting immediately thereafter the following paragraph:

"(*ba*) in the case of a scheme recognised under section 287, the Authority is of the opinion that it is necessary to revoke the recognition of the scheme to give effect to the provisions of any arrangement relating to cross-border offers of collective investment schemes to which Singapore or the Authority is a party; or".

Amendment of section 292A

160. Section 292A(1) of the principal Act is amended by deleting paragraph (v) and substituting the following paragraph:

"(v) has had a prohibition order under section 59 of the Financial Advisers Act (Cap. 110), section 35V of the Insurance Act (Cap. 142), section 101A or 123ZZC made against him that remains in force; or".

Amendment of section 295A

161. Section 295A(14) of the principal Act is amended by deleting the definition of "real estate investment trust".

Amendment of section 296A

162. Section 296A(2) of the principal Act is amended by deleting the words "securities exchange, futures exchange, overseas securities exchange or overseas futures exchange" in paragraph (*c*) and substituting the words "approved exchange or overseas exchange".

Amendment of section 297

163. Section 297 of the principal Act is amended —

(*a*) by deleting subsection (2A) and substituting the following subsections:

"(2A) If —

(*a*) a prospectus or a profile statement has been registered;

(*b*) the prospectus or profile statement relates to units in a collective investment scheme recognised under section 287; and

(*c*) the Authority is of the opinion that it is necessary to stop the person making the offer of units in the scheme from issuing or selling units in the scheme to give effect to an arrangement relating to cross-border offers of collective investment schemes to which Singapore or the Authority is a party,

the Authority may serve an order in writing (called in this section a stop order) on the person making the offer of units in the scheme directing that no or no further units in the scheme be issued or sold.

(2B) The Authority must not serve a stop order under subsection (1), (2) or (2A) if —

(*a*) any of the units in a collective investment scheme to which the prospectus or profile statement relates —

(i) has been issued or sold; and

(ii) has been listed for quotation on an approved exchange; and

(*b*) trading in any of the units in the collective investment scheme mentioned in paragraph (*a*) has commenced."; and

(*b*) by deleting the words "or (2)" in subsections (3), (8)(*a*) and (10) and substituting in each case the words ", (2) or (2A)".

Amendment of section 300

164. Section 300 of the principal Act is amended —

(*a*) by deleting the word "securities" wherever it appears in subsection (2B)(*b*) and substituting in each case the words "capital markets products that are units in a collective investment scheme";

(*b*) by inserting, immediately after the words "complied with" in subsection (3)(*b*), the words ", and which is disseminated with a prospectus or profile statement that has been registered by the Authority under section 296";

(*c*) by deleting the words "a securities exchange, futures exchange or overseas securities exchange" in subsection (4)(*a*) and substituting the words "an approved exchange or overseas exchange";

(*d*) by deleting the words "Any person who contravenes subsection (1) or who knowingly authorised or permitted the publication or dissemination in contravention of subsection (1)" in subsection (7) and substituting the words "Any person who contravenes subsection (1) or who knowingly authorises or permits the publication or dissemination of any advertisement or statement mentioned in that subsection"; and

(*e*) by deleting the word "securities" in paragraph (*a*) of the definition of "representative" in subsection (13) and substituting the words "capital markets products that are units in a collective investment scheme".

Amendment of section 301

165. Section 301 of the principal Act is amended —

(*a*) by deleting the words "securities exchange" wherever they appear in subsections (1), (9) and (13) and substituting in each case the words "approved exchange";

(*b*) by deleting the words "a securities exchange" in subsections (10) and (11)(*b*) and substituting in each case the words "an approved exchange";

(*c*) by deleting the words "any securities exchange" in subsection (11)(*a*) and (*b*) and substituting in each case the words "any approved exchange";

(*d*) by deleting the words "the securities exchange" in subsection (11)(*b*) and substituting the words "the approved exchange"; and

(*e*) by deleting the words "securities exchange" in the section heading and substituting the words "approved exchange".

Amendment of section 302

166. Section 302 of the principal Act is amended —

(*a*) by inserting, immediately after the word "securities" in subsection (1), the words "or securities-based derivatives contracts";

(*b*) by deleting subsection (2) and substituting the following subsection:

"(2) For the purposes of subsection (1) —

(*a*) references in those sections to securities or securities-based derivatives contracts are to be read as references to units in a collective investment scheme; and

(*b*) references in those sections to a person subscribing for, purchasing or acquiring securities or securities-based derivatives contracts are to be read as a person subscribing for, purchasing or acquiring units in a collective investment scheme."; and

(*c*) by inserting, immediately after the word "securities" in the section heading, the words "and securities-based derivatives contracts".

Amendment of section 302B

167. Section 302B of the principal Act is amended —

(*a*) by deleting sub-paragraphs (i) and (ii) of subsection (1)(*d*) and substituting the following sub-paragraphs:

"(i) the holder of a capital markets services licence to deal in capital markets products that are units in a collective investment scheme;

(ii) an exempt person in respect of dealing in capital markets products that are units in a collective investment scheme;";

(*b*) by deleting the word "or" at the end of subsection (1)(*d*)(iv);

(*c*) by deleting sub-paragraph (v) of subsection (1)(*d*) and substituting the following sub-paragraphs:

"(v) a person who is licensed, approved, authorised or otherwise regulated under the laws, codes or other requirements of any foreign jurisdiction in respect of dealing in capital markets products that are units in a collective investment scheme or marketing of collective investment schemes; or

(vi) a person who is exempt from the laws, codes or other requirements mentioned in sub-paragraph (v) in respect of units in a collective investment scheme or marketing of collective investment schemes; and";

(*d*) by deleting paragraph (*b*) of subsection (5) and substituting the following paragraph:

"(*b*) by that person or another person from any offer of units in a collective investment scheme, securities or securities-based derivatives contracts, which is a closely related offer,";

(*e*) by deleting the words "subsection (1), section 272A(1) or 282V(1)" in subsection (5) and substituting the words "subsection (1) or section 272A(1)"; and

(*f*) by deleting the words "a securities exchange, futures exchange or overseas securities exchange" in subsection (10)(ii) and substituting the words "an approved exchange or overseas exchange".

Amendment of section 302C

168. Section 302C(3) of the principal Act is amended —

(*a*) by deleting paragraph (*b*) and substituting the following paragraph:

"(*b*) an offer of units in a collective investment scheme, securities or securities-based derivatives contracts is made by the firstmentioned person or another person where such offer is a closely related offer,"; and

(*b*) by deleting the words "this section, section 272B or 282W" and substituting the words "this section or section 272B".

Amendment of section 303

169. Section 303(1) of the principal Act is amended by deleting the words "a securities exchange" and substituting the words "an approved exchange".

Amendment of section 304A

170. Section 304A of the principal Act is amended by deleting subsection (2) and substituting the following subsection:

"(2) Subsection (1) does not apply where the units in a collective investment scheme acquired are of the same class as, or can be converted into units of the same class as, other units in the scheme —

(*a*) which are listed for quotation on an approved exchange; and

(*b*) in respect of which any offer information statement, introductory document, unitholders' circular for a reverse take-over, document issued for the purposes of a trust scheme, or any other similar document approved by an approved exchange, was issued in connection with —

(i) an offer of those units in the scheme; or

(ii) the listing for quotation of those units in the scheme.".

Amendment of section 305

171. Section 305 of the principal Act is amended —

(*a*) by deleting the word "securities" in subsection (2) and substituting the words "units in a collective investment scheme, securities, securities-based derivatives contracts";

(*b*) by deleting "(v)" in subsection (3)(*b*) and substituting "(vi)";

(*c*) by deleting the words "a securities exchange, futures exchange or overseas securities exchange" in paragraph (ii) of the definition of "advertisement" in subsection (5) and substituting the words "an approved exchange or overseas exchange"; and

(*d*) by deleting the word "securities" in subsection (6) and substituting the words "capital markets products that are units in a collective investment scheme".

Amendment of section 305A

172. Section 305A of the principal Act is amended —

(*a*) by deleting the word "securities" in subsection (3)(i)(B) and substituting the words "units in a collective investment scheme, securities, securities-based derivatives contracts"; and

(*b*) by deleting subsection (5) and substituting the following subsection:

"(5) Subsections (1), (2) and (3) do not apply where the units in a collective investment scheme acquired are of the same class as other units in the scheme —

(*a*) which are listed for quotation on an approved exchange; and

(*b*) in respect of which any offer information statement, introductory document, unitholders' circular for a reverse take-over, document issued for the purposes of a trust scheme, or any other similar document approved by an approved exchange, was issued in connection with —

(i) an offer of those units in the scheme; or

(ii) the listing for quotation of those units in the scheme.".

Amendment of section 305B

173. Section 305B(1) of the principal Act is amended by deleting the words "a securities exchange" and substituting the words "an approved exchange".

Deletion and substitution of heading of Division 3 of Part XIII

174. Part XIII of the principal Act is amended by deleting the heading of Division 3 and substituting the following Division heading:

"*Division 3 — Hawking of Securities, Securities-based Derivatives Contracts and Units in Collective Investment Scheme*".

Amendment of section 309

175. Section 309 of the principal Act is amended —

(*a*) by deleting subsections (1) and (2) and substituting the following subsections:

"(1) A person must not —

(*a*) make an offer to any person of units in a collective investment scheme, securities or securities-based derivatives contracts for subscription or purchase, in the course of, or arising from, an unsolicited meeting with that other person; or

(*b*) make an invitation to any person to subscribe for or purchase units in a collective investment scheme, securities or securities-based derivatives contracts, in the course of, or arising from, an unsolicited meeting with that other person.

(2) Subsection (1) does not apply to any person who makes an offer or invitation in respect of units in a collective investment scheme, securities or securities-based derivatives contracts that does not need a prospectus by virtue of section 274, 275, 304 or 305.";

(*b*) by deleting the word "securities" in subsection (3)(*b*) and substituting the words "units in a collective investment scheme, securities or securities-based derivatives contracts";

(*c*) by deleting the word "securities" in subsection (5) and substituting the words "units in a collective investment scheme, securities or securities-based derivatives contracts (as the case may be)"; and

(*d*) by deleting paragraphs (*a*) and (*b*) of subsection (7) and substituting the following paragraphs:

"(*a*) "securities" has the same meaning as in section 2 and also includes the securities of an entity or a business trust, whether the entity or business trust is in existence or is to be formed;

(*b*) "securities-based derivatives contracts" has the same meaning as in section 2 and also includes securities-based derivatives contracts of an entity or a business trust, whether the entity or business trust is in existence or is to be formed;

(*c*) "unit", in relation to a collective investment scheme, has the same meaning as in section 2 and also includes units in a collective investment scheme, whether the collective investment scheme is in existence or is to be formed;

(*d*) a reference to an offer or invitation in respect of securities, securities-based derivatives contracts or units in a collective investment scheme for subscription or purchase includes an offer or invitation in respect of securities, securities-based derivatives contracts or units in a collective investment scheme (as the case may be) by way of barter or exchange.".

Amendment of section 309A

176. Section 309A(1) of the principal Act is amended —

(*a*) by inserting the word "or" at the end of paragraph (*a*) of the definition of "issuer"; and

(*b*) by deleting paragraph (*b*) of the definition of "issuer".

Amendment of section 310

177. Section 310(2) of the principal Act is amended by deleting the words "Part II, IIA, III or IIIA" and substituting the words "Part II, IIA, III, IIIA or VIAA".

Amendment of section 311

178. Section 311(3) of the principal Act is amended by deleting the words "securities, futures or derivatives industry" and substituting the words "securities and derivatives industry or to financial benchmarks".

Amendment of section 317

179. Section 317 of the principal Act is amended —

(*a*) by deleting the words "sections 94, 99C and 101A(7) and (8)" in subsection (1) and substituting the words "sections 94, 99C, 101A(7) and (8), 123U and 123ZQ"; and

(*b*) by deleting the words "section 94 or 99C" in subsection (2)(*a*) and substituting the words "section 94, 99C, 123U or 123ZQ".

Amendment of section 322

180. Section 322 of the principal Act is amended —

(*a*) by deleting the words "an exempt market operator," in subsection (1)(*a*);

(*b*) by deleting the word "or" at the end of paragraph (*a*) of subsection (1), and by inserting immediately thereafter the following paragraph:

"(*aa*) any information relating to an authorised benchmark administrator, an exempt benchmark administrator, an authorised benchmark submitter, an exempt benchmark submitter or a designated benchmark submitter, a representative of an authorised benchmark administrator, an

exempt benchmark administrator, an authorised benchmark submitter, an exempt benchmark submitter or a designated benchmark submitter, or a person from whom any information or expression of opinion used in the determination of a designated benchmark was obtained; or";

(*c*) by deleting paragraph (*a*) of subsection (2) and substituting the following paragraph:

"(*a*) the lapsing, revocation or suspension of the approval, licence, authorisation or exemption granted, or designation issued, to any person mentioned in subsection (1);"; and

(*d*) by deleting the words "a securities exchange, a futures exchange," in subsection (2)(*g*) and (*h*) and substituting in each case the words "an approved exchange,".

Amendment of section 324

181. Section 324 of the principal Act is amended —

(*a*) by deleting the words "under this Act" in subsection (1)(*a*);

(*b*) by deleting the words "securities, futures contracts, contracts in connection with leveraged foreign exchange trading," wherever they appear in subsections (1)(*c*) and (1A)(*b*) and (*d*) and substituting in each case the words "capital markets products,";

(*c*) by deleting the words "transfer of securities" wherever they appear in subsection (1A)(*d*) and substituting in each case the words "transfer of capital markets products"; and

(*d*) by deleting the word "securities" in the section heading and substituting the words "capital markets products".

Amendment of section 325

182. Section 325 of the principal Act is amended —

(*a*) by deleting the words "a securities exchange, a futures exchange," in subsection (1)(*a*)(ii) and substituting the words "an approved exchange,";

(*b*) by deleting the words "the listing rules of a securities exchange" in subsection (1)(*a*)(ii) and substituting the words "the listing rules of an approved exchange";

(*c*) by deleting sub-paragraph (iii) of subsection (1)(*a*) and substituting the following sub-paragraph:

"(iii) is about to do an act with respect to dealing in capital markets products, administering a designated benchmark, or providing information in relation to a designated benchmark, that, if done, would be such an offence or contravention;";

(*d*) by deleting the words "a securities exchange" in subsection (1)(*b*) and substituting the words "an approved exchange";

(*e*) by deleting the words "the securities exchange" in subsection (1)(*b*) and substituting the words "the approved exchange";

(*f*) by deleting paragraph (*c*) of subsection (1);

(*g*) by deleting the words "make one or more of the following orders:" in subsection (1) and substituting the words "make any one or more of the orders specified in subsection (1A).";

(*h*) by deleting paragraphs (i) to (vi) of subsection (1);

(*i*) by inserting, immediately after subsection (1), the following subsection:

"(1A) The orders that may be made under subsection (1) are —

(*a*) in the case of a persistent or continuing breach of this Act, of any condition or restriction of a licence, of any business rule of an approved exchange, a licensed trade repository or an approved clearing house, of any listing rule of an approved exchange, or of any condition or restriction imposed on an authorised benchmark administrator, an authorised benchmark submitter or a designated benchmark submitter, an order restraining a person —

(i) from carrying on a business of dealing in capital markets products;

(ii) from acting as a representative of a person carrying on a business of dealing in capital markets products;

(iii) from holding the person out as a person carrying on a business of dealing in capital markets products;

(iv) from carrying on a business of administering a designated benchmark;

(v) from providing information in relation to a designated benchmark;

(vi) from acting as a representative of an authorised benchmark administrator, an authorised benchmark submitter or a designated benchmark submitter;

(vii) from holding the person out as a person —

(A) carrying on a business of administering a designated benchmark; or

(B) providing information in relation to a designated benchmark; or

(viii) from otherwise acting in breach;

(*b*) an order restraining a person from acquiring, disposing of or otherwise dealing with any capital markets products that are specified in the order;

(*c*) an order appointing a receiver of the property of the holder of a capital markets services licence to deal in capital markets products or of property that is held by such a holder for or on behalf of another person whether on trust or otherwise;

(*d*) an order declaring a contract relating to any dealing in capital markets products to be void or voidable;

(*e*) for the purpose of securing compliance with any other order under this section, an order directing a person to do or refrain from doing a specified act;

(*f*) an order restraining the exercise of any voting or other rights attached to any capital markets products that are specified in the order; and

(*g*) any ancillary order deemed to be desirable in consequence of the making of any of the above orders.";

(*j*) by deleting the words "deal in securities or trade in futures contracts" in subsection (3) and substituting the words "deal in capital markets products";

(*k*) by deleting subsection (4) and substituting the following subsection:

"(4) For the purposes of subsections (1), (1A) and (3), "property", in relation to the holder of a capital markets services licence to deal in capital markets products, includes —

(*a*) moneys;

(*b*) capital markets products;

(*c*) documents of title to capital markets products; and

(*d*) other property,

entrusted to or received on behalf of any other person by the holder or another person in the course of or in connection with a business of dealing in capital markets products carried on by the holder."; and

(*l*) by deleting subsection (6) and substituting the following subsections:

"(6) Subject to subsection (6A), subsection (5) does not affect the powers of the court in relation to the punishment for contempt of court.

(6A) Where a person is convicted of an offence under subsection (5) in respect of any contravention of an order made under subsection (1), such contravention is not punishable as a contempt of court.

(6B) A person must not be convicted of an offence under subsection (5) in respect of any contravention of an order made under subsection (1) that has been punished as a contempt of court.".

Amendment of section 328

183. Section 328(2) of the principal Act is amended by deleting the definition of "relevant person" and substituting the following definition:

" "relevant person" means any —

(*a*) approved exchange;

(*b*) recognised market operator;

(*c*) licensed trade repository;

(*d*) licensed foreign trade repository;

(*e*) approved clearing house;

(*f*) recognised clearing house;

(*g*) approved holding company;

(*h*) holder of a capital markets services licence to carry on business in any regulated activity;

(*i*) exempt person;

(*j*) representative;

(*k*) approved trustee mentioned in section 289;

(*l*) authorised benchmark administrator;

(*m*) exempt benchmark administrator;

(*n*) authorised benchmark submitter;

(*o*) exempt benchmark submitter; or

(*p*) designated benchmark submitter.".

Amendment of section 330

184. Section 330 of the principal Act is amended —

(*a*) by deleting subsection (1) and substituting the following subsection:

"(1) Any person who, with intent to deceive, makes or furnishes, or knowingly and wilfully authorises or permits the making or furnishing of, any false or misleading statement or report to any approved exchange, licensed trade repository, approved clearing house, recognised clearing house, authorised benchmark administrator or exempt

benchmark administrator, or to any officer of such persons —

(*a*) while carrying on the activity of dealing in capital markets products;

(*b*) relating to a financial instrument;

(*c*) relating to the enforcement of the business rules of an approved exchange, a licensed trade repository or an approved clearing house or the listing rules of an approved exchange;

(*d*) relating to the affairs of an entity or a business trust;

(*e*) relating to a collective investment scheme;

(*f*) relating to the affairs of the trustee-manager of a registered business trust;

(*g*) relating to a registered business trust which is managed and operated by the trustee-manager of the registered business trust; or

(*h*) while carrying on the activity of providing information in relation to a designated benchmark,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 or to imprisonment for a term not exceeding 2 years or to both.";

(*b*) by deleting the words "subsection (1)(*c*)" in subsection (3) and substituting the words "subsection (1)(*d*)"; and

(*c*) by deleting the section heading and substituting the following section heading:

"**Duty not to furnish false statements to approved exchange, licensed trade repository, approved clearing house, recognised clearing house, authorised benchmark administrator, exempt benchmark administrator and Securities Industry Council**".

Amendment of section 332

185. Section 332(1) of the principal Act is amended —

(*a*) by deleting the words "a securities exchange, a futures exchange," and substituting the words "an approved exchange,"; and

(*b*) by deleting the words "or a holder of a capital markets services licence to carry on business in any regulated activity," and substituting the words ", a holder of a capital markets services licence to carry on business in any regulated activity, an authorised benchmark administrator or an authorised benchmark submitter,".

Amendment of section 333

186. Section 333(2) of the principal Act is amended by deleting paragraph (*a*) and substituting the following paragraph:

"(*a*) offences under sections 7(4), (5) and (12), 9(13), 17(2), 22, 23(4), 27(13) and (14), 28(14), 29(4) and (7), 30(4), 35(2), 41(4) and (7), 42, 43(11), 45(3), 46(9), 46AA(9), 46AAB(7), 46AAC(10), 46AAI(8), 46C(2), 46E(14), 46P, 46Q(4), 46U(13) and (14), 46V(14), 46Y(8), 46Z(10), 46ZI, 46ZIB(7), 46ZIC(10), 46ZJ(2), 46ZK(4), 46ZN(8), 49(4), (5) and (12), 51(13), 59, 65, 66(4), 70(13) and (14), 71(14), 72(4), 81A, 81P(10), 81R(3), 81S(9), 81SAA(7), 81SAB(10), 81SD(8), 81U(2) and (9), 81W(8), 81ZA(3), 81ZB(2), 81ZC(2), 81ZD(3), 81ZE(11) and (12), 81ZF(13), 81ZG(4), 81ZGA(2), 81ZGC(7), 81ZGD(10), 81ZJ(10), 81ZL(2), 81ZN(8), 103, 105, 107(3) and (4), 123D(3) and (4), 123F(11),

123K(7), 123O(8) and (9), 123W, 123X(9), 123Y(7), 123Z(7), 123ZA(5), 123ZC(2), 123ZV(8), 123ZW(5), 289(7), 290(4) and 295(6); or".

Amendment of section 334

187. Section 334(2) of the principal Act is amended —

(*a*) by deleting sub-paragraph (iv) of paragraph (*a*) of the definition of "misconduct" and substituting the following sub-paragraph:

"(iv) any business rules of an approved exchange, a licensed trade repository or an approved clearing house, or the listing rules of an approved exchange;"; and

(*b*) by deleting the definition of "relevant person" and substituting the following definition:

" "relevant person" means —

(*a*) an approved exchange;

(*b*) a recognised market operator;

(*c*) a licensed trade repository;

(*d*) a licensed foreign trade repository;

(*e*) an approved clearing house;

(*f*) a recognised clearing house;

(*g*) an approved holding company;

(*h*) a holder of a capital markets services licence to carry on business in any regulated activity;

(*i*) an exempt person;

(*j*) an approved trustee mentioned in section 289;

(*k*) an authorised benchmark administrator;

(*l*) an exempt benchmark administrator;

(*m*) an authorised benchmark submitter;

(*n*) an exempt benchmark submitter;

(*o*) a designated benchmark submitter; or

(*p*) any employee, officer, partner or representative of any person mentioned in paragraphs (*a*) to (*o*).".

Amendment of section 338

188. Section 338 of the principal Act is amended —

(*a*) by deleting the words "securities, futures or derivatives industry" in subsection (1) and substituting the words "securities and derivatives industry or to financial benchmarks"; and

(*b*) by deleting the words ", relating to securities or futures" in the section heading.

Amendment of section 339

189. Section 339(2) of the principal Act is amended by inserting, immediately after "IV," in paragraph (*b*), "VIAA,".

Amendment of section 341

190. Section 341 of the principal Act is amended —

(*a*) by deleting the words "and the conduct of such solicitation" in subsection (2)(*d*) and substituting the words ", the conduct of such solicitation and the risk management of the business";

(*b*) by deleting the words "securities exchange, futures exchange," in subsection (2)(*f*) and substituting the words "approved exchange,";

(*c*) by deleting the word "securities" in subsection (2)(*la*) and substituting the words "specified products";

(*d*) by deleting the words "securities, futures contracts or leveraged foreign exchange trading" in subsection (2)(*m*) and substituting the words "capital markets products";

(*e*) by deleting the words "a securities exchange, futures exchange or recognised market operator" wherever they appear in subsection (2)(*n*) and substituting in each case the words "an approved exchange or a recognised market operator;

(*f*) by deleting the words "fair and orderly market" in subsection (2)(*n*) and substituting the words "fair and orderly organised market";

(*g*) by deleting the word "securities" wherever it appears in subsection (2)(*p*) and substituting in each case the words "capital markets products";

(*h*) by deleting paragraph (*q*) of subsection (2) and substituting the following paragraph:

"(*q*) the prohibition or restriction of securities-based derivatives contracts that are admitted to the official list of an approved exchange;";

(*i*) by deleting the words "paragraphs (*a*)(iv) and (*b*)" in subsection (3A) and substituting the words "paragraphs (*b*) and (vii)";

(*j*) by deleting the words "paragraphs (*a*)(iii) and (*b*) of" in subsection (3C); and

(*k*) by deleting the word "securities" in subsection (5) and substituting the words "specified products".

Repeal of section 342

191. Section 342 of the principal Act is repealed.

Amendment of First Schedule

192. The First Schedule to the principal Act is amended —

(*a*) by deleting paragraphs 1, 2 and 3 and substituting the following paragraphs:

"**Definition of organised market**

1.—(1) In this Act, "organised market" means —

(*a*) a place at which, or a facility (whether electronic or otherwise) by means of which, offers or invitations to exchange, sell or purchase derivatives contracts, securities or units in collective investment schemes, are regularly made on a centralised basis, being offers or invitations that are intended or may reasonably be expected to result, whether directly or indirectly, in the acceptance or making, respectively, of offers to exchange, sell or purchase derivatives contracts, securities or units in collective investment schemes (whether through that place or facility or otherwise); or

(*b*) such other facility or class of facilities as the Authority may, by order, prescribe.

(2) Despite sub-paragraph (1), "organised market" does not include a place or facility used by only one person —

(*a*) to regularly make offers or invitations to sell, purchase or exchange derivatives contracts, securities or units in collective investment schemes; or

(*b*) to regularly accept offers to sell, purchase or exchange derivatives contracts, securities or units in collective investment schemes."; and

(*b*) by deleting paragraph (*a*) of the definition of "clearing facility" in paragraph 4(1) and substituting the following paragraph:

"(*a*) a facility for the clearing or settlement of transactions in derivatives contracts, securities or units in collective investment schemes; or".

Amendment of Second Schedule

193. The Second Schedule to the principal Act is amended —

(*a*) by deleting Part I and substituting the following Part:

"PART I

TYPES OF REGULATED ACTIVITIES

The following are regulated activities for the purposes of this Act:

(*a*) dealing in capital markets products;

(*b*) advising on corporate finance;

(*c*) fund management;

(*d*) real estate investment trust management;

(*e*) product financing;

(*f*) providing credit rating services;

(*g*) providing custodial services.";

(*b*) by deleting the words "a securities exchange" in paragraph (*a*) of the definition of "advising on corporate finance" in Part II and substituting the words "an approved exchange";

(*c*) by deleting the word "securities" in paragraph (*b*)(i) and (ii) of the definition of "advising on corporate finance" in Part II and substituting in each case the words "specified products";

(*d*) by deleting the definition of "dealing in securities" in Part II and substituting the following definition:

" "dealing in capital markets products" means (whether as principal or agent) making or offering to make with any person, or inducing or attempting to induce any person to enter into or to offer to enter into any agreement for or with a view to acquiring, disposing of, entering into, effecting, arranging, subscribing for, or underwriting any capital markets products;";

(*e*) by deleting the definition of "foreign exchange trading" in Part II;

(*f*) by inserting, immediately after the word "means" in the definition of "fund management" in Part II, the words "managing the property of, or operating, a collective investment scheme, or";

(*g*) by deleting the words "securities or futures contracts" in paragraph (*a*) of the definition of "fund management" in Part II and substituting the words "capital markets products";

(*h*) by deleting the words "foreign exchange trading or leveraged foreign exchange trading" in paragraph (*b*) of the definition of "fund management" in Part II and substituting the words "the entry into spot foreign exchange contracts";

(*i*) by deleting the definition of "leveraged foreign exchange trading" in Part II and substituting the following definition:

" "leveraged foreign exchange trading" means entering into a spot foreign exchange contract where one counterparty provides to the other counterparty or the counterparty's agent money, securities, property or other collateral which represents only a part of the value of the spot foreign exchange contract;";

(*j*) by deleting the definition of "on a margin basis" in Part II;

(*k*) by inserting, immediately before the definition of "providing credit rating services" in Part II, the following definition:

" "product financing" means providing any credit facility, advance or loan to facilitate (directly or indirectly) —

(*a*) the subscription of specified products listed or to be listed on an organised market;

(*b*) the purchase of specified products listed or to be listed on an organised market;

(*c*) the purchase of such specified products as the Authority may prescribe; or

(*d*) where applicable, the continued holding of specified products mentioned in paragraph (*a*), (*b*) or (*c*),

whether or not the specified products are pledged as security for the credit facility, advance or loan, but does not include the provision of —

(i) any credit facility, advance or loan that forms part of an arrangement to underwrite or sub-underwrite specified products;

(ii) any credit facility, advance or loan to —

(A) a holder of a capital markets services licence to deal in capital markets products in respect of specified products;

(B) a holder of capital markets services licence for product financing; or

(C) a financial institution,

for the purposes of facilitating the acquisition or holding of specified products;

(iii) any credit facility, advance or loan by a company to its directors or employees to facilitate the acquisition or holding of its own specified products;

(iv) any credit facility, advance or loan by a member of a group of companies to another member of the group to facilitate the acquisition or holding of specified products by that other member; or

(v) any credit facility, advance or loan by an individual to a company in which he holds 10% or more of its issued share capital to facilitate the acquisition or holding of specified products;";

(*l*) by deleting the definition of "providing custodial services for securities" in Part II and substituting the following definition:

" "providing custodial services" means, in relation to specified products, providing or agreeing to provide any service where the person providing the service has, under an arrangement with another person (the customer), possession or control of the specified products of the customer and carries out one or more of the following functions for the customer:

(*a*) settlement of transactions relating to the specified products;

(*b*) collecting or distributing dividends or other pecuniary benefits derived from ownership or possession of the specified products;

(*c*) paying tax or other costs associated with the specified products;

(*d*) exercising rights, including without limitation voting rights, attached to or derived from the specified products;

(*e*) any other function necessary or incidental to the safeguarding or administration of the specified products,

but does not include —

(i) the activities of a corporation that is a Depository as defined in section 81SF;

(ii) the provision of services to a related corporation or connected person, so long as none of the specified products in respect of which such services are provided is —

(A) held on trust for another person by the related corporation or connected person;

(B) held as a result of any custodial services provided by the related corporation or connected person to another person; or

(C) beneficially owned by any person other than the related corporation or connected person;

(iii) the provision of services by a nominee corporation that are solely incidental to the business of the nominee corporation; and

(iv) any other conduct the Authority may, by order, prescribe;";

(*m*) by deleting paragraph (*c*) of the definition of "rating target" in Part II and substituting the following paragraph:

"(*c*) capital markets products;";

(*n*) by deleting the definition of "real estate investment trust management" in Part II and substituting the following definition:

" "real estate investment trust management" means managing the property of, or operating, a real estate investment trust;";

(*o*) by deleting the definition of "securities financing" in Part II and substituting the following definition:

" "spot foreign exchange contract" means a spot contract of which the underlying thing is a currency."; and

(*p*) by deleting the definition of "trading in futures contracts" in Part II.

Repeal and re-enactment of Fourth Schedule

194. The Fourth Schedule to the principal Act is repealed and the following Schedule substituted therefor:

"FOURTH SCHEDULE

Section 320(1A)

SPECIFIED PROVISIONS

1. Section 7(7)
2. Section 27(11)
3. Section 28(12)
4. Section 46AAG(2)
5. Section 46U(11)
6. Section 46V(12)
7. Section 46ZL(2)
8. Section 49(7)
9. Section 57(3)
10. Section 70(11)
11. Section 71(12)
12. Section 75(3)
13. Section 81SB(2)

14. Section 81U(4)
15. Section 81ZE(10)
16. Section 81ZF(12)
17. Section 81ZI
18. Section 99(1)(*h*)
19. Section 99B(2)
20. Section 99I(1)
21. Section 123K(1)(*b*)
22. Section 123N(1)
23. Section 123ZH(4)
24. Section 129A(2)
25. Section 129H(2)
26. Section 129O(2)
27. Section 247(1)
28. Section 248(2) and (5)
29. Section 249(3)
30. Section 251(14)
31. Section 259(3)
32. Section 262(2)
33. Section 300(9)
34. Section 302 (when applying section 247(1) or 249(3))
35. Section 306(1)
36. Section 309(3)(*a*)
37. Section 309B(5)
38. Section 337(3).".

Related amendment to Banking Act

195. Section 54(1) of the Banking Act (Cap. 19, 2008 Ed.) is amended by inserting, immediately after the words "section 101A" in paragraph (v), the words "or 123ZZC".

Consequential and related amendments to Business Trusts Act

196. The Business Trusts Act (Cap. 31A, 2005 Ed.) is amended —

(*a*) by inserting, immediately after the definition of "advocate and solicitor" in section 2, the following definition:

" "approved exchange" has the same meaning as in section 2(1) of the Securities and Futures Act (Cap. 289);";

(*b*) by deleting the words "a securities exchange" in the following sections and substituting in each case the words "an approved exchange":

Sections 2 (paragraph (*a*)(v)(B) of the definition of "business trust"), 13(13) and (18)(*a*), 76(1)(*a*), 79(9) and 101(1)(*a*), (*b*) and (i);

(*c*) by deleting the words "section 239(1)" in the definition of "debenture" in section 2 and substituting the words "section 2(1)";

(*d*) by deleting the definition of "securities exchange" in section 2;

(*e*) by deleting the words "the securities exchange" wherever they appear in the following sections and substituting in each case the words "the approved exchange":

Sections 13(13), 79(1) and 101(1)(*b*);

(*f*) by deleting the definition of "real estate investment trust" in section 40A(14) and substituting the following definition:

" "real estate investment trust" has the same meaning as in section 2(1) of the Securities and Futures Act."; and

(*g*) by deleting paragraph (*a*) of section 51(2) and substituting the following paragraph:

"(*a*) are no longer held by any person other than —

(i) a person who acquired units or derivatives of units in the business

trust pursuant to an offer made in reliance on an exemption under section 274 of the Securities and Futures Act;

(ii) a person who acquired the units or derivatives of units in the business trust pursuant to an offer mentioned in section 275(1A) of that Act; or

(iii) a relevant person as defined under section 275(2) of that Act; or".

Related amendments to Commodity Trading Act

197. The Commodity Trading Act (Cap. 48A, 2009 Ed.) is amended —

(*a*) by inserting, immediately after subsection (1) of section 4, the following subsection:

"(1A) As from the date of commencement of section 8 of the Securities and Futures (Amendment) Act 2017, subsection (1) ceases to apply in relation to any commodity market —

(*a*) that is established on or after that date; or

(*b*) that was approved under subsection (1) before that date, to the extent that it relates to commodity forward contracts.";

(*b*) by inserting, immediately after subsection (1) of section 8, the following subsection:

"(1A) As from the date of commencement of section 8 of the Securities and Futures (Amendment) Act 2017, subsection (1) ceases to apply in relation to any clearing house —

(*a*) that is established on or after that date; or

(*b*) that was approved under subsection (1) before that date, to the extent that it relates to commodity forward contracts.";

(*c*) by inserting, immediately after subsection (1) of section 12, the following subsection:

"(1A) As from the date of commencement of section 8 of the Securities and Futures (Amendment) Act 2017, subsection (1) ceases to apply to any person who commences business as a commodity broker on or after that date.";

(*d*) by inserting, immediately after subsection (1) of section 13, the following subsection:

"(1A) As from the date of commencement of section 8 of the Securities and Futures (Amendment) Act 2017, subsection (1) ceases to apply to any person who —

(*a*) in relation to subsection (1)(*a*), is a commodity broker's representative of a commodity broker mentioned in section 12(1A) who does not hold a transitional licence;

(*b*) in relation to subsection (1)(*b*), commences business as a commodity trading adviser on or after that date;

(*c*) in relation to subsection (1)(*c*), is a commodity trading adviser's representative of a commodity trading adviser mentioned in paragraph (*b*) who does not hold a transitional licence;

(*d*) in relation to subsection (1)(*d*), commences business as a commodity pool operator on or after that date; or

(*e*) in relation to subsection (1)(*e*), is a commodity pool operator's representative of a commodity pool operator mentioned in paragraph (*d*) who does not hold a transitional licence.";

(*e*) by inserting, immediately after subsection (3) of section 13, the following subsection:

"(4) In this section, "transitional licence" has the same meaning as in section 66."; and

(*f*) by inserting, immediately after section 65, the following section:

"**Transitional approvals and licences**

66.—(1) A transitional approval or transitional licence is valid for 2 years after the appointed date despite any period of validity determined by the Board under section 5, 9 or 14 for the transitional approval or transitional licence (as the case may be) unless —

(*a*) the transitional approval or transitional licence (as the case may be) is earlier terminated in accordance with this Act; or

(*b*) the holder of the transitional approval or transitional licence is earlier granted or refused, or earlier exempt from, an approval or licence under the Securities and Futures Act (Cap. 289) for the same activity that the person was authorised to do as holder of the transitional approval or transitional licence (as the case may be).

(2) In this section —

"appointed date" means the date of commencement of section 8 of the Securities and Futures (Amendment) Act 2017;

"transitional approval" means an approval granted to a commodity market under section 5 or a clearing house under section 9 (as the case may be) before the appointed date and subsisting on the appointed date;

"transitional licence" means any of the following licences:

(*a*) a licence which is issued before the appointed date for any matter mentioned in section 12(1) or 13(1)(*b*) or (*d*) and is subsisting on the appointed date;

(*b*) a licence which is issued before the appointed date for any matter mentioned in section 13(1)(*a*), (*c*) or (*e*) and is subsisting on the appointed date;

(*c*) a licence which is issued on or after the appointed date for any matter mentioned in section 13(1)(*a*), (*c*) or (*e*) in relation to a person who holds a licence mentioned in paragraph (*a*).".

Consequential amendments to Commodity Trading Act

198. The Commodity Trading Act (Cap. 48A, 2009 Ed.) is amended —

(*a*) by repealing sections 2 and 3 and substituting the following section:

"**Interpretation**

2.—(1) In this Act, unless the context otherwise requires —

"auditor" means a public accountant within the meaning of the Companies Act (Cap. 50);

"Board" means the International Enterprise Singapore Board established by section 3 of the International Enterprise Singapore Board Act (Cap. 143B);

"corporation" has the same meaning as in section 4(1) of the Companies Act;

"customer" means a person on whose account a spot commodity broker or spot commodity

pool operator carries on trading in connection with spot commodity trading;

"derivatives contract" has the same meaning as in section 2(1) of the Securities and Futures Act (Cap. 289);

"director" has the same meaning as in section 4(1) of the Companies Act;

"officer" has the meaning as in section 4(1) of the Companies Act;

"spot commodity broker" means a person who (whether as principal or agent) carries on the business of soliciting or accepting orders for the purchase or sale of any commodity by way of spot commodity trading, whether or not the business is part of, or is carried on in conjunction with, any other business;

"spot commodity broker's representative" means a person who —

(*a*) acts for, or has an arrangement with, a spot commodity broker; and

(*b*) performs any of the functions of that spot commodity broker in connection with spot commodity trading, whether his remuneration is by way of commission or otherwise,

but does not include a person who is a director of a corporation holding a spot commodity broker's licence or a person who is in the direct employment of a spot commodity broker;

"spot commodity pool operator" means any person who —

(*a*) carries on a business in the nature of a collective investment scheme within

the meaning of section 2(1) of the Securities and Futures Act; and

(*b*) in connection with the business mentioned in paragraph (*a*), accepts or receives from other persons funds, security or property, either directly or through capital contributions, the sale of shares or other forms of security or otherwise for the purpose of spot commodity trading;

"spot commodity pool operator's representative" means a person who —

(*a*) is in the direct employment of, acts for, or has an arrangement with, a spot commodity pool operator; and

(*b*) performs for that spot commodity pool operator any of the functions of a spot commodity pool operator;

"spot commodity trading" means the purchase or sale of a commodity at its current market or spot price, where it is intended that such transaction results in the physical delivery of the commodity.

(2) In this Act, "commodity" means —

(*a*) any produce, item, goods or article that is the subject of any spot commodity trading;

(*b*) an index, a right or an interest in anything mentioned in paragraph (*a*); and

(*c*) any index, right, interest, tangible property or intangible property of any other nature prescribed under subsection (3).

(3) The Board may, by regulations made under section 63, prescribe any other index, right, interest,

tangible property or intangible property of any nature to be a commodity.";

(*b*) by repealing Parts II, IV, V and VII;

(*c*) by repealing sections 12 and 13;

(*d*) by deleting the words "or provided in such business rules of a commodity market as have been approved by the Board" in section 15(3);

(*e*) by deleting paragraph (*d*) of section 18(2);

(*f*) by deleting the words "the trading in commodity contracts" in section 20(2)(*a*) and substituting the words "spot commodity trading";

(*g*) by repealing sections 34 to 38 and 41;

(*h*) by deleting subsection (1) of section 42 and substituting the following subsection:

"(1) Where it appears to the Board that any person has contravened or is contravening any of the provisions of this Act or any regulations made under this Act, the Board may, after giving the person an opportunity of being heard, direct the person to comply with that provision or to stop contravening that provision, and that person must comply with the direction.";

(*i*) by deleting the words "A clearing house or any" in section 42(2) and substituting the word "Any";

(*j*) by deleting the words "A commodity market, a clearing house or any" in section 42(3) and substituting the word "Any";

(*k*) by repealing sections 51, 52 and 53;

(*l*) by deleting the words ", a commodity market, a clearing house" in section 54;

(*m*) by deleting paragraphs (*a*) and (*c*) of section 54;

(*n*) by deleting the words "No suit or other legal proceedings shall lie against the Board or any officer or employee of the Board or any person (including a commodity market or a clearing house)" in section 55 and substituting the words "No liability shall lie against the Board or any officer or employee of the Board or any person";

(*o*) by deleting subsections (1) and (2) of section 57 and substituting the following subsection:

"(1) A person who is not a spot commodity broker or spot commodity pool operator must not —

(*a*) take or use the title or description "spot commodity broker" or "spot commodity pool operator"; or

(*b*) take or use, or have attached to or exhibited at any place, any title or description that resembles any of the titles or descriptions specified in paragraph (*a*) or so closely resembles any such title or description as to be calculated to deceive.";

(*p*) by repealing section 58 and substituting the following section:

"**Proceedings by whom and when to be taken and power to compound offences**

58.—(1) Proceedings for an offence against any provision of this Act may be taken by the Board or, with the consent of the Public Prosecutor, by any other person.

(2) The Board may, in its discretion, compound any offence under this Act that is prescribed as a compoundable offence by collecting from a person reasonably suspected of having committed the offence a sum not exceeding the lower of the following:

(*a*) one half of the amount of the maximum fine that is prescribed for the offence;

(*b*) $5,000.

(3) On payment of such sum of money, no further proceedings are to be taken against that person in respect of the offence.

(4) The Board may make regulations under section 63 to prescribe the offences which may be compounded, including offences under the provisions of this Act which have been repealed.

(5) All sums collected under this section are to be paid into the Consolidated Fund.

(6) The members, officers and employees of the Board are, in relation to their administration, collection and enforcement of payment of composition sums under this section, deemed to be public officers for the purposes of the Financial Procedure Act (Cap. 109), and section 20 of that Act applies to these persons even though they are not or were not in the employment of the Government.";

(*q*) by deleting paragraphs (*a*) to (*e*) of section 63(2);

(*r*) by deleting subsection (4) of section 63; and

(*s*) by repealing sections 65 and 66.

Consequential and related amendments to Companies Act

199. The Companies Act (Cap. 50, 2006 Ed.) is amended —

(*a*) by inserting, immediately after the definition of "annual return" in section 4(1), the following definition:

" "approved exchange in Singapore" means an approved exchange as defined in section 2(1) of the Securities and Futures Act (Cap. 289);";

(*b*) by deleting the definition of "securities exchange in Singapore" in section 4(1);

(*c*) by deleting the words "a securities exchange" wherever they appear in the following sections and substituting in each case the words "an approved exchange":

Sections 4(1) (definition of "listed"), 63A(2), 76(8)(*m*), 76C(1), 76DA(1), 184A(9), 205AA(4) (definition of "public interest company") and 244(5) and (6);

(*d*) by deleting the words "section 44, 46Z, 81P, 81ZJ, 97" in section 145(6)(*b*) and substituting the words "section 43, 46Z, 81P, 81ZJ, 97, 123Y, 123ZU"; and

(*e*) by deleting the words "for securities" in section 181(6)(*b*).

Consequential and related amendments to Criminal Law (Temporary Provisions) Act

200. Part I of the First Schedule to the Criminal Law (Temporary Provisions) Act (Cap. 67, 2000 Ed.) is amended —

(*a*) by deleting the words "securities and futures contracts" in item 1 and substituting the words "capital markets products";

(*b*) by deleting the words "securities and futures contracts" in item 5 and substituting the words "capital markets products";

(*c*) by deleting the words "securities, trading in futures contracts and leveraged foreign exchange trading" in item 21 and substituting the words "capital markets products"; and

(*d*) by deleting paragraph (*a*) of item 28 and substituting the following paragraph:

"(*a*) an approved exchange, an approved clearing house or an approved holding company, as defined in section 2(1) of the Securities and Futures Act (Cap. 289);".

Consequential and related amendments to Finance Companies Act

201. The Finance Companies Act (Cap. 108, 2011 Ed.) is amended —

(*a*) by inserting, immediately after the definition of "chief executive" in section 2, the following definition:

" "collective investment scheme" has the same meaning as in section 2(1) of the Securities and Futures Act (Cap. 289);";

(*b*) by inserting, immediately after the definition of "published reserves" in section 2, the following definitions:

" "securities" has the same meaning as in section 2(1) of the Securities and Futures Act;

"securities-based derivatives contract" has the same meaning as in section 2(1) of the Securities and Futures Act;";

(*c*) by deleting the full-stop at the end of the definition of "share" in section 2 and substituting a semi-colon, and by inserting immediately thereafter the following definition:

" "unit" has the same meaning as in section 2(1) of the Securities and Futures Act.";

(*d*) by deleting paragraph (*c*) of section 23(1) and substituting the following paragraph:

"(*c*) acquire securities, securities-based derivatives contracts or units in a collective investment scheme which are denominated in any foreign currency;";

(*e*) by deleting the words "securities exchange" in section 23(5)(*c*) and substituting the words "approved exchange";

(*f*) by inserting, immediately after the word "securities" in section 23(6)(*a*), the words ", securities-based derivatives contracts or units in a collective investment scheme,"; and

(*g*) by inserting, immediately after the words "section 101A" in section 47(1)(*e*), the words "or 123ZZC".

Consequential and related amendments to Financial Advisers Act

202. The Financial Advisers Act (Cap. 110, 2007 Ed.) is amended —

(*a*) by inserting, immediately after the definition of "appointed representative" in section 2(1), the following definition:

" "approved exchange" has the same meaning as in section 2(1) of the Securities and Futures Act (Cap. 289);";

(*b*) by inserting, immediately after the definition of "book" in section 2(1), the following definition:

" "capital markets products" has the same meaning as in section 2(1) of the Securities and Futures Act;";

(*c*) by deleting the definition of "dealing in securities" in section 2(1) and substituting the following definition:

" "dealing in capital markets products" has the same meaning as in section 2(1) of the Securities and Futures Act;";

(*d*) by deleting the word "securities" wherever it appears in the definition of "financial journalist" in section 2(1) and substituting in each case the words "specified products";

(*e*) by deleting the definition of "futures contract" in section 2(1) and substituting the following definition:

" "futures contract" has the same meaning as in section 2(1) of the Securities and Futures Act;";

(*f*) by deleting the definitions of "futures exchange", "securities exchange" and "trading in futures contracts" in section 2(1);

(*g*) by deleting paragraph (*a*) of the definition of "investment product" in section 2(1) and substituting the following paragraphs:

"(*a*) any capital markets products;

(*aa*) spot foreign exchange contracts other than for the purposes of leveraged foreign exchange trading;";

(*h*) by inserting, immediately after the definition of "officer" in section 2(1), the following definition:

" "organised market" has the same meaning as in section 2(1) of the Securities and Futures Act;";

(*i*) by inserting, immediately after the definition of "securities" in section 2(1), the following definition:

" "securities-based derivatives contract" has the same meaning as in section 2(1) of the Securities and Futures Act;";

(*j*) by inserting, immediately after the definition of "share" in section 2(1), the following definitions:

" "specified products" means securities, specified securities-based derivatives contracts or units in a collective investment scheme;

"specified securities-based derivatives contract" and "spot foreign exchange contract" have the same meanings as in section 2(1) of the Securities and Futures Act;";

(*k*) by inserting, immediately after the definition of "unit" in section 2(1), the following definition:

" "unit in a collective investment scheme" or "units in a collective investment scheme" has the same meaning as "unit" in section 2(1) of the Securities and Futures Act;";

(*l*) by deleting the words "dealing in securities, trading in futures contracts or leveraged foreign exchange trading," in section 3(3)(*b*) and substituting the words "dealing in capital markets products,";

(*m*) by deleting the word "securities" wherever it appears in section 4(1), (2) and (3) and section heading and substituting in each case the words "specified products";

(*n*) by deleting the word "security" wherever it appears in section 4(4), (5), (6)(*b*) and (*c*), (7), (8), (9), (10)(*a*), (*b*) (where it first appears), (*c*) and (*e*) and (11) and substituting in each case the words "specified product";

(*o*) by deleting the words "a securities exchange, a futures exchange" in section 23(1)(*ea*) and substituting the words "an approved exchange";

(*p*) by deleting the words "a securities market, a futures market" in section 23(1)(*ea*) and substituting the words "an organised market";

(*q*) by deleting the heading to Division 3 in Part III and substituting the following heading:

"*Division 3 — Specified Products*";

(*r*) by deleting the word "securities" wherever it appears in the following sections and substituting in each case the words "specified products":

Sections 35 and 36(1), (2)(*a*) and (*b*), (3)(*a*) and (*b*) and (7);

(*s*) by deleting the word "securities" in the section heading of section 36 and substituting the words "specified products";

(*t*) by deleting the definition of "relevant day" in section 77 and substituting the following definition:

" "relevant day" means —

(*a*) 6 March 2000, in relation to any financial advisory service in respect of securities or futures contracts as

defined in section 2(1) in force immediately before the date of commencement of section 202 of the Securities and Futures (Amendment) Act 2017;

(*b*) 1 October 2002, in relation to any financial advisory service in respect of investment products as defined in section 2(1) in force immediately before the date of commencement of section 202 of the Securities and Futures (Amendment) Act 2017 (other than securities or futures contracts mentioned in paragraph (*a*)); or

(*c*) the date of commencement of section 202 of the Securities and Futures (Amendment) Act 2017, in relation to any other financial advisory service;";

(*u*) by deleting the word "securities" in section 99(2)(*d*) and substituting the words "specified products";

(*v*) by deleting the word "securities" in section 104(2)(*l*) and substituting the words "specified products";

(*w*) by deleting the word "securities" in section 104(2)(*m*) and (6) and substituting in each case the words "specified products";

(*x*) by repealing section 104A; and

(*y*) by deleting the word "securities" in paragraph 5(*b*) of the First Schedule and substituting the words "capital markets products".

Related amendment to Financial Holding Companies Act 2013

203. Section 62(1) of the Financial Holding Companies Act 2013 (Act 13 of 2013) is amended by inserting, immediately after the words "section 101A" in paragraph (*e*), the words "or 123ZZC".

Consequential and related amendments to Income Tax Act

204. The Income Tax Act (Cap. 134, 2014 Ed.) is amended —

(*a*) by deleting sub-paragraph (vi) of section 10(20A)(*c*) and substituting the following sub-paragraphs:

"(vi) a holder of a capital markets services licence licensed to carry on business in the following regulated activities under the Securities and Futures Act (Cap. 289) in force immediately before the date of commencement of section 204 of the Securities and Futures (Amendment) Act 2017, or a company exempted under that Act from holding such a licence:

(A) dealing in securities (other than any person licensed under the Financial Advisers Act (Cap. 110));

(B) fund management;

(C) securities financing;

(D) providing custodial services for securities,

where the fees and compensatory payments are derived before the date of commencement of section 204 of the Securities and Futures (Amendment) Act 2017;

(vi*a*) a holder of a capital markets services licence licensed to carry on business

in the following regulated activities under the Securities and Futures Act on or after the date of commencement of section 204 of the Securities and Futures (Amendment) Act 2017, or a company exempted under that Act from holding such a licence:

(A) dealing in capital markets products (other than any person licensed under the Financial Advisers Act);

(B) fund management;

(C) product financing; or

(D) providing custodial services,

where the fees and compensatory payments are derived on or after the date of commencement of section 204 of the Securities and Futures (Amendment) Act 2017;"; and

(*b*) by deleting the word "securities" in section 45I(2)(*c*)(i) and (3)(*a*) and substituting in each case the words "capital markets products".

Related amendment to Insurance Act

205. Section 31A(1) of the Insurance Act (Cap. 142, 2002 Ed.) is amended by inserting, immediately after the words "section 101A" in paragraph (v), the words "or 123ZZC".

Consequential and related amendments to Monetary Authority of Singapore Act

206. The Monetary Authority of Singapore Act (Cap. 186, 1999 Ed.) is amended —

(*a*) by deleting the definition of "financial instrument" in section 2;

(*b*) by deleting the words "securities exchange, futures exchange" in section 27A(6)(*h*) and substituting the words "approved exchange"; and

(*c*) by inserting, immediately after the words "section 101A" in section 30AAI(1)(v), the words "or 123ZZC".

Related amendment to Money-changing and Remittance Businesses Act

207. Section 12A(1) of the Money-changing and Remittance Businesses Act (Cap. 187, 2008 Ed.) is amended by inserting, immediately after the words "section 101A" in paragraph (*e*), the words "or 123ZZC".

Related amendment to Moneylenders Act

208. Section 2 of the Moneylenders Act (Cap. 188, 2010 Ed.) is amended by deleting the definition of "real estate investment trust" and substituting the following definition:

" "real estate investment trust" has the same meaning as in section 2(1) of the Securities and Futures Act (Cap. 289);".

Related amendment to Payment Systems (Oversight) Act

209. Section 22(1) of the Payment Systems (Oversight) Act (Cap. 222A, 2007 Ed.) is amended by inserting, immediately after the words "section 101A" in paragraph (*e*), the words "or 123ZZC".

Consequential amendment to Securities and Futures (Amendment) Act 2009

210. Section 84 of the Securities and Futures (Amendment) Act 2009 (Act 2 of 2009) is amended by deleting paragraph (*c*).

Consequential and related amendments to Trust Companies Act

211. The Trust Companies Act (Cap. 336, 2006 Ed.) is amended —

(*a*) by inserting, immediately after the definition of "book" in section 2, the following definition:

" "capital markets products" has the same meaning as in section 2(1) of the Securities and Futures Act (Cap. 289);";

(*b*) by inserting, immediately after the definition of "chief executive" in section 2, the following definition:

" "collective investment scheme" has the same meaning as in section 2(1) of the Securities and Futures Act;";

(*c*) by inserting, immediately after the definition of "securities" in section 2, the following definition:

" "specified securities-based derivatives contract" has the same meaning as in section 2(1) of the Securities and Futures Act;";

(*d*) by inserting, immediately after the definition of "trust business service" in section 2, the following definition:

" "unit" has the same meaning as in section 2(1) of the Securities and Futures Act;";

(*e*) by deleting the words "for securities" wherever they appear in section 15(1)(*c*);

(*f*) by deleting the words "sale of securities or futures contracts" in section 27(1) and substituting the words "sale of any capital markets products";

(*g*) by deleting the words "sell securities or futures contracts" in section 27(1) and substituting the words "sell the capital markets products"; and

(*h*) by deleting the words "and securities" wherever they appear in section 59(1) and substituting in each case the words ", securities, specified securities-based derivatives contracts and units in a collective investment scheme".

Saving and transitional provisions

212.—(1) Section 232(2) and (3) of the principal Act as in force immediately before the date of commencement of section 108 of the Securities and Futures (Amendment) Act 2017 continues to apply in

respect of any contravention of any provision of Part XII of the principal Act that occurred before that date as if section 108 of this Act had not been enacted.

(2) Section 236B(4) and (5) of the principal Act as in force immediately before the date of commencement of section 110 of the Securities and Futures (Amendment) Act 2017 continues to apply in respect of any contravention of any provision of Part XII of the principal Act that occurred before that date as if section 110 of this Act had not been enacted.

(3) Section 236C(3) and (4) of the principal Act as in force immediately before the date of commencement of section 111 of the Securities and Futures (Amendment) Act 2017 continues to apply in respect of any contravention of any provision of Part XII of the principal Act that occurred before that date as if section 111 of this Act had not been enacted.

(4) Section 236E(4) and (5) of the principal Act as in force immediately before the date of commencement of section 113 of the Securities and Futures (Amendment) Act 2017 continues to apply in respect of any contravention of any provision of Part XII of the principal Act that occurred before that date as if section 113 of this Act had not been enacted.

(5) Section 236F(3) and (4) of the principal Act as in force immediately before the date of commencement of section 114 of the Securities and Futures (Amendment) Act 2017 continues to apply in respect of any contravention of any provision of Part XII of the principal Act that occurred before that date as if section 114 of this Act had not been enacted.

(6) Section 236H(2) and (3) of the principal Act as in force immediately before the date of commencement of section 116 of the Securities and Futures (Amendment) Act 2017 continues to apply in respect of any contravention of any provision of Part XII of the principal Act that occurred before that date as if section 116 of this Act had not been enacted.

(7) For a period of 2 years after the date of commencement of any provision of this Act, the Minister may, by regulations, prescribe such additional provisions of a saving or transitional nature consequent on

the enactment of that provision as the Minister may consider necessary or expedient.