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SECURITIES AND FUTURES ACT (CHAPTER 289)

SECURITIES AND FUTURES (TRADING VENUES FOR DERIVATIVES CONTRACTS IN THE UNITED KINGDOM) REGULATIONS 2020

ARRANGEMENT OF REGULATIONS

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In exercise of the powers conferred by sections 44(1) and 129N(1) of the Securities and Futures Act, the Monetary Authority of Singapore makes the following Regulations:

Citation and commencement

1. These Regulations are the Securities and Futures (Trading Venues for Derivatives Contracts in the United Kingdom) Regulations 2020 and come into operation on 2 January 2021.

Purpose of Regulations

2. The purpose of these Regulations is —
 - (a) to give effect to an arrangement between the Authority and Her Majesty's Treasury, under which —
 - (i) Her Majesty's Treasury recognises that the requirements imposed by or under the Act on persons who operate organised markets in Singapore are comparable to the requirements

imposed on persons who operate trading venues for derivatives contracts in the United Kingdom under the following rules (collectively called in these Regulations the UK Rules):

- (A) provisions of the law of the United Kingdom in force prior to 11 p.m. on 31 December 2020, to implement Directive 2014/65/EU of the European Parliament and of the Council of the European Union;
 - (B) Regulation No. 600/2014 of the European Parliament and of the Council of the European Union, as that Regulation applies in the United Kingdom pursuant to the European Union (Withdrawal) Act 2018 in force in the United Kingdom;
 - (C) Regulation No. 596/2014 of the European Parliament and of the Council of the European Union, as that Regulation applies in the United Kingdom pursuant to the European Union (Withdrawal) Act 2018 in force in the United Kingdom;
 - (D) legally-binding technical standards made under sub-paragraphs (A), (B) and (C) as they apply in the United Kingdom;
 - (E) relevant rules imposed by the Financial Conduct Authority (established by the Financial Services and Markets Act 2000 of the United Kingdom) under the Financial Conduct Authority Handbook; and
- (ii) the Authority recognises that the requirements imposed on persons who operate trading venues for derivatives contracts in the United Kingdom under the UK Rules are comparable to the requirements imposed by or under the Act on persons who operate organised markets in Singapore; and

(b) in particular —

- (i) to exempt persons who establish or operate trading venues for derivatives contracts in the United Kingdom under and in accordance with the UK Rules from the requirement under section 7(1) of the Act to be an approved exchange or a recognised market operator before establishing or operating an organised market, or holding themselves out as operating an organised market; and
- (ii) to prescribe trading venues for derivatives contracts in the United Kingdom that are regulated under and in accordance with the UK Rules as facilities on or through which a specified person may execute a specified derivatives contract for the purposes of section 129J(1) of the Act.

Exemption from section 7(1) of Act

3.—(1) Despite section 7(1) of the Act and subject to the condition mentioned in paragraph (2), a person may establish or operate an organised market that is a facility set out in the Schedule, or hold itself out as operating such an organised market, without complying with that provision.

(2) The condition mentioned in paragraph (1) is that the person ensures that no offer or invitation to exchange, sell or purchase any derivatives contract, securities, or unit in a collective investment scheme, is made on the organised market by or to a retail investor in Singapore.

(3) The condition mentioned in paragraph (2) is deemed to have been satisfied if the business rules or listing rules of the organised market do not allow any offer or invitation to exchange, sell or purchase any derivatives contract, securities, or unit in a collective investment scheme, to be made on the organised market by or to a retail investor in Singapore.

(4) In this regulation, “retail investor” means a person other than an accredited investor, an expert investor or an institutional investor.

Prescribed facilities for purposes of section 129J(1)(a) of Act

4. The facilities set out in the Schedule are prescribed as facilities on or through which a specified person may execute a specified derivatives contract for the purposes of section 129J(1)(a) of the Act.

THE SCHEDULE

Regulations 3(1) and 4

FACILITIES

1. BGC Brokers LP – OTF
2. Dowgate MTF
3. GFI Brokers – OTF
4. ICAP Global Derivatives MTF
5. ICAP Securities OTF
6. ICAP WCLK MTF
7. iSWAP MTF
8. Kyte OTF
9. NEX SEF MTF
10. Sunrise Brokers OTF
11. Tradition OTF
12. Trad-X MTF
13. Tullett Prebon Europe MTF
14. Tullett Prebon Europe OTF

Made on 31 December 2020.

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