

---

---

First published in the *Government Gazette*, Electronic Edition, on 1 October 2018 at 5 pm.

**No. S 628**

SECURITIES AND FUTURES ACT  
(CHAPTER 289)

SECURITIES AND FUTURES  
(PRESCRIBED EXCLUDED  
DERIVATIVES CONTRACTS)  
REGULATIONS 2018

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation and commencement
  2. Contracts or arrangements excluded from definition of “derivatives contract”
- 

In exercise of the powers conferred by section 341 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 (Prescribed Excluded Derivatives Contracts) Regulations 2018 and come into operation on 8 October 2018.

**Contracts or arrangements excluded from definition of “derivatives contract”**

2.—(1) For the purposes of the definition of “derivatives contract” in section 2(1) of the Act, a contract or arrangement for the sale and purchase of one or more commodities (called in this regulation underlying commodities) is prescribed not to be a derivatives contract if —

- 
- 
- (a) the contract or arrangement is for the purpose of fulfilling the needs of the day-to-day operations of the business of one or more of the parties to the contract or arrangement; and
  - (b) subject to any settlement option that may be agreed amongst the parties to the contract or arrangement —
    - (i) the seller of the underlying commodities is required to deliver the underlying commodities; and
    - (ii) the buyer of the underlying commodities is required to take delivery of the underlying commodities.

(2) In this regulation, “settlement option” means an option under which the parties to the contract or arrangement may settle part or all of the amounts owing by one party to the other party by payment of cash instead of delivery of the commodity or commodities, as the case may be.

Made on 26 September 2018.

RAVI MENON  
*Managing Director,*  
*Monetary Authority of Singapore.*

[MPI/CMP/07/2018; AG/LEGIS/SL/289/2015/53 Vol. 1]