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**No. S 66**

**SECURITIES AND FUTURES ACT 2001**

**SECURITIES AND FUTURES  
(CLEARING FACILITIES)  
(AMENDMENT) REGULATIONS 2025**

In exercise of the powers conferred by sections 81Q and 341 of the Securities and Futures Act 2001, the Monetary Authority of Singapore makes the following Regulations:

**Citation and commencement**

1. These Regulations are the Securities and Futures (Clearing Facilities) (Amendment) Regulations 2025 and come into operation on 24 January 2025.

**Amendment of regulation 2**

2. In the Securities and Futures (Clearing Facilities) Regulations 2013 (G.N. No. S 464/2013) (called in these Regulations the principal Regulations), in regulation 2(1) —

(a) before the definition of “annual report”, insert —

““accounting standards” means the accounting standards made or formulated by the Accounting Standards Committee under Part 3 of the Accounting Standards Act 2007;”;

(b) after the definition of “annual report”, insert —

““associate”, in relation to an entity (called in this definition the first entity), means —

(a) any entity in which the first entity controls the composition of the board of directors or such corresponding officers as may be prescribed;

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- (b) any entity in which the first entity controls more than half of the voting power or such measure corresponding to voting power as may be prescribed;
  - (c) any entity in which the first entity holds more than half of the total number of issued shares or such corresponding interest as may be prescribed;
  - (d) a subsidiary of any other entity which is an associate by reason of paragraph (a), (b) or (c);
  - (e) any entity (called in this paragraph the second entity) in which —
    - (i) the first entity; or
    - (ii) any entity which is an associate by reason of paragraph (a), (b), (c) or (d),has, or the entities in sub-paragraphs (i) and (ii) together have, an interest in shares entitling the beneficial owners of those interests the right to cast (whether by proxy or in person) not less than 20% but not more than 50% of the total votes able to be cast at a general meeting of the second entity, or such corresponding interest as may be prescribed; or
  - (f) any entity (not being one which is an associate by reason of paragraph (a), (b), (c), (d) or (e)) the policies of which —

- (i) the first entity; or
- (ii) any entity which is an associate by reason of paragraph (a), (b), (c), (d) or (e),

is, or the entities in sub-paragraphs (i) and (ii) together are, able to control or influence materially;” and

(c) after the definition of “business day”, insert —

““Guidelines on Fit and Proper Criteria” means the document by that title issued by the Authority and published on its website, as revised from time to time;”.

### **Amendment of regulation 11**

**3.** In the principal Regulations, in regulation 11 —

(a) in paragraph (1)(c), after “the Authority”, insert “, that will have an impact on the approved clearing house”;

(b) in paragraph (1), replace sub-paragraph (f) with —

“(f) the approved clearing house becomes aware of any development (including any development in relation to any associate of the approved clearing house, or any other entity treated as part of the approved clearing house’s group of companies according to the accounting standards applicable to the approved clearing house) that has occurred or is likely to occur which the approved clearing house has reasonable grounds to believe has materially and adversely affected, or is likely to materially and adversely affect —

- (i) the financial soundness or reputation of the approved clearing house; or

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- (ii) the approved clearing house's ability to conduct its business;
  - (g) the approved clearing house becomes aware that its chairperson, chief executive officer or director or a person who holds an appointment mentioned in section 71(2) of the Act is, in accordance with the Guidelines on Fit and Proper Criteria, no longer fit and proper to hold that office or appointment;
  - (h) the approved clearing house becomes aware that a substantial shareholder, 12% controller or 20% controller of the approved clearing house is, in accordance with the Guidelines on Fit and Proper Criteria, no longer fit and proper to be a substantial shareholder, 12% controller or 20% controller (as the case may be) of the approved clearing house;
  - (i) the approved clearing house becomes aware that it is not likely to be able to conduct its business prudently or to comply with the provisions of the Act and directions made thereunder, having regard to the likely influence over the approved clearing house of a substantial shareholder, 12% controller or 20% controller of the approved clearing house.”;
- (c) after paragraph (1), insert —
- “(1A) In paragraph (1), “12% controller” and “20% controller” have the meanings given by section 70(3) of the Act.
- (1B) For the purposes of section 58(4) of the Act, an approved clearing house must notify the Authority of the following matters:

(a) any disruption, suspension or termination of, or delay in, any clearing or settlement procedure of the approved clearing house (including any disruption, suspension, termination or delay resulting from any system failure) that —

(i) has a severe and widespread impact on the approved clearing house's operations; or

(ii) materially impacts the approved clearing house's service to its participants;

(b) any other disruption, suspension or termination of, or delay in, any clearing or settlement procedure of the approved clearing house (including any disruption, suspension, termination or delay resulting from any system failure).

(1C) For the purposes of section 58(4) of the Act, an approved clearing house must notify the Authority —

(a) of a matter mentioned in paragraph (1B)(a) no later than one hour after the discovery by the approved clearing house of the disruption, suspension, termination or delay; and

(b) of a matter mentioned in paragraph (1B)(b) no later than one day after the discovery by the approved clearing house of the disruption, suspension, termination or delay.”;

(d) in paragraph (2), replace “, (e) or (f) has occurred, the approved clearing house shall, in addition to the notice required under paragraph (1)” with “or (e) or (1B)(a) or (b), or a development mentioned in paragraph (1)(f), has occurred, the approved clearing house shall, in addition to

the notice required under paragraph (1) or (1B) (as the case may be)”; and

- (e) in paragraph (2), after “the occurrence of the circumstance”, insert “or development,”.

### **Amendment of regulation 31**

4. In the principal Regulations, in regulation 31(1), replace sub-paragraph (h) with —

“(h) the mode and structure, as appropriate, under which —

- (i) the increase in shareholding will be carried out; and

- (ii) the increased shareholding will be held;”.

### **Amendment of regulation 34**

5. In the principal Regulations, in regulation 34 —

- (a) in paragraph (1)(c), delete “material”;

- (b) in paragraph (1)(c), after “the Authority”, insert “, that will have a material impact on the recognised clearing house”;

- (c) in paragraph (1)(f), replace the full-stop at the end with a semi-colon;

- (d) in paragraph (1), after sub-paragraph (f), insert —

“(g) the recognised clearing house becomes aware of any development (including any development in relation to any associate of the recognised clearing house, or any other entity treated as part of the recognised clearing house’s group of companies according to the accounting standards applicable to the recognised clearing house) that has occurred or is likely to occur which the recognised clearing house has reasonable grounds to believe has

materially and adversely affected, or is likely to materially and adversely affect —

- (i) the financial soundness or reputation of the recognised clearing house; or
  - (ii) the recognised clearing house's ability to conduct its business;
- (h) the recognised clearing house becomes aware that its chairperson, chief executive officer or director is, in accordance with the Guidelines on Fit and Proper Criteria, no longer fit and proper to hold that office or appointment;
- (i) in the case of a recognised clearing house which is a Singapore recognised clearing house, that recognised clearing house becomes aware of any of the following facts:
  - (i) that a person who holds an appointment mentioned in section 81AC(2) of the Act is, in accordance with the Guidelines on Fit and Proper Criteria, no longer fit and proper to hold that appointment;
  - (ii) that a substantial shareholder or 20% controller of the recognised clearing house is, in accordance with the Guidelines on Fit and Proper Criteria, no longer fit and proper to be a substantial shareholder or 20% controller (as the case may be) of the recognised clearing house;

- (iii) that the recognised clearing house is not likely to be able to conduct its business prudently or to comply with the provisions of the Act and directions made thereunder, having regard to the likely influence over the recognised clearing house of a substantial shareholder or 20% controller of the recognised clearing house.”; and

(e) after paragraph (1), insert —

“(1A) In paragraph (1), “20% controller” has the meaning given by section 81AA(2) of the Act.”.

### **New Division 3 of Part IV**

6. In the principal Regulations, after regulation 49, insert —

*“Division 3 — Matters requiring Approval of Authority*

#### **Application and criteria for approval to acquire shareholding**

**49A.**—(1) Any person applying for approval under section 81AA(1) of the Act must submit to the Authority a written application that sets out —

- (a) the name of the applicant;
- (b) where the applicant is a corporation —
  - (i) its place of incorporation;
  - (ii) its substantial shareholders;
  - (iii) its directors and chief executive officer; and
  - (iv) its principal business;
- (c) where the applicant is an individual —
  - (i) the applicant’s nationality;
  - (ii) the applicant’s principal occupation; and
  - (iii) the applicant’s directorships;



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- (d) all the corporations in which the applicant has a substantial shareholding;
  - (e) the percentage of shareholding and voting power that the applicant has in the Singapore recognised clearing house;
  - (f) the percentage of shareholding and voting power that the applicant is seeking to have in the Singapore recognised clearing house;
  - (g) the reasons for making the application;
  - (h) the mode and structure, as appropriate, under which —
    - (i) the increase in shareholding will be carried out; and
    - (ii) the increased shareholding will be held;
  - (i) whether the applicant will seek representation on the board of directors of the Singapore recognised clearing house; and
  - (j) any other information that may facilitate the determination of the Authority as to whether the applicant is a fit and proper person for the purposes of paragraph (2)(a).

(2) The Authority may grant its approval under section 81AA(1) of the Act if the Authority is satisfied that —

- (a) the applicant is a fit and proper person to be a 20% controller of the Singapore recognised clearing house;
- (b) having regard to the applicant's likely influence over the Singapore recognised clearing house, the Singapore recognised clearing house will, or will continue to, conduct its business prudently and in compliance with the provisions of the Act; and
- (c) it would not be contrary to the interests of the public to grant the approval.

(3) In paragraph (2), “20% controller” has the meaning given by section 81AA(2) of the Act.

**Criteria for approval of chairperson, chief executive officer, director and key persons**

**49B.** For the purposes of section 81AC(4) of the Act, the Authority may have regard to the following matters in determining whether to approve or refuse to approve the appointment of a person under section 81AC(1) or (2) of the Act:

- (a) whether the person is fit and proper to be so appointed;
- (b) whether the appointment of the person would be consistent with any applicable written law relating to —
  - (i) the qualifications for the position; or
  - (ii) the requirements for the composition of the board of directors or any committee of the Singapore recognised clearing house;
- (c) whether it would be contrary to the interests of the public to approve the appointment of the person.”.

**Amendment of regulation 51**

7. In the principal Regulations, in regulation 51 —

- (a) in the regulation heading, replace “**officer failed to discharge duties or functions**” with “**director or executive officer failed to discharge duties**”;
- (b) replace “section 81P(2) of the Act, the Authority may, in determining whether a chairman, chief executive officer or director of an approved clearing house or of a recognised clearing house (being a Singapore corporation), or any person referred to in section 71(2) of the Act who is appointed to any key management position or committee of an approved clearing house, has failed to discharge the duties or functions of his office or employment, have regard to whether that chairman, chief executive officer,

director or person” with “section 81P(4) of the Act, the Authority must, in determining whether a director or an executive officer of an approved clearing house or a Singapore recognised clearing house has failed to discharge the duties of his or her office or employment, have regard to whether that individual”; and

- (c) in paragraphs (a), (b), (c), (d), (e), (f) and (g)(i) and (ii), before “recognised”, insert “Singapore”.

### **Miscellaneous amendments**

#### **8. In the principal Regulations —**

- (a) in the following provisions, in the regulation heading, replace “**chairman**” wherever it appears, with “**chairperson**”:

Regulation 32

Regulation 33; and

- (b) in the First Schedule, in item 6, replace “chairman” with “chairperson”.

*[G.N. Nos. S 296/2014; S 425/2015; S 298/2017;  
S 673/2018; S 435/2019]*

Made on 22 January 2025.

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[LDLD 18/2019; AG/LEGIS/SL/289/2020/33]