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SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES
(LICENSING AND CONDUCT OF BUSINESS)
(AMENDMENT) REGULATIONS 2020

In exercise of the powers conferred by sections 99(4), 100, 104(2), 337 and 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 (Licensing and Conduct of Business) (Amendment) Regulations 2020 and come into operation on 30 September 2020.

Amendment of regulation 2

2. Regulation 2 of the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10) (called in these Regulations the principal Regulations) is amended by inserting, immediately after the definition of “Rules and Market Practices”, the following definition:

““specified OTC derivatives contract” means an OTC derivatives contract that —

(a) is not a securities-based derivatives contract;
and

(b) is not a foreign exchange OTC derivatives contract;”.

Amendment of regulation 14

3. Regulation 14(4) of the principal Regulations is amended by deleting the words “8 October 2020” in sub-paragraphs (aa) and (ab) and substituting in each case the words “8 October 2021”.

Amendment of regulation 29

4. Regulation 29 of the principal Regulations is amended by inserting, immediately after paragraph (2), the following paragraph:

“(3) Despite paragraphs (1) and (2) and regulation 64(1) of the Securities and Futures (Licensing and Conduct of Business) (Amendment No. 2) Regulations 2018 (G.N. No. S 667/2018), this regulation as in force immediately before 8 October 2018 continues to apply to a person who —

- (a) was, immediately before 8 October 2018, a holder of a capital markets services licence to carry on business in any regulated activity other than dealing in capital markets products that are specified OTC derivatives contracts; and
- (b) is a holder of a capital markets services licence to carry on business in any regulated activity other than dealing in capital markets products that are specified OTC derivatives contracts,

until 8 October 2021.”.

Amendment of regulation 37

5. Regulation 37 of the principal Regulations is amended by inserting, immediately after paragraph (6), the following paragraph:

“(6A) Despite paragraphs (1), (2), (3), (4), (5) and (6) and regulation 64(1) of the Securities and Futures (Licensing and Conduct of Business) (Amendment No. 2) Regulations 2018, this regulation as in force immediately before 8 October 2018 continues to apply to a person who —

- (a) was, immediately before 8 October 2018, a holder of a capital markets services licence to carry on business in any regulated activity other than dealing in capital markets products that are specified OTC derivatives contracts; and

(b) is a holder of a capital markets services licence to carry on business in any regulated activity other than dealing in capital markets products that are specified OTC derivatives contracts,

until 8 October 2021.”.

Amendment of regulation 42

6. Regulation 42(1AA) of the principal Regulations is amended by deleting the word “over-the-counter” in sub-paragraph (e) and substituting “OTC”.

Amendment of regulation 44

7. Regulation 44(2) of the principal Regulations is amended by inserting, immediately after the words “approved exchange” in sub-paragraph (b), the words “or the recognised market operator”.

Amendment of regulation 47B

8. Regulation 47B(9) of the principal Regulations is amended by deleting the words “paragraph 2(i)” in sub-paragraph (c)(ii) and substituting the words “paragraph 2(1)(i)”.

Amendment of regulation 54

9. Regulation 54 of the principal Regulations is amended —

(a) by deleting “39(1)(e)” in paragraph (1) and substituting “39(1)(da), (e)”;

(b) by inserting, immediately after paragraph (1), the following paragraph:

“(2) Despite paragraph (1) and regulation 64(1) of the Securities and Futures (Licensing and Conduct of Business) (Amendment No. 2) Regulations 2018, regulations 29 and 37 as in force immediately before 8 October 2018 continue to apply to the following persons until 8 October 2021:

(a) a person mentioned in paragraph (1)(a) or
(b) who —

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- (i) was, immediately before 8 October 2018, carrying on business in any regulated activity other than dealing in capital markets products that are specified contracts; and
 - (ii) is a person carrying on business in any regulated activity other than dealing in capital markets products that are specified contracts;
- (b) a person mentioned in paragraph (1)(c) who —
- (i) was, immediately before 8 October 2018, carrying on business in any regulated activity other than dealing in capital markets products that are specified OTC derivatives contracts; and
 - (ii) is a person carrying on business in any regulated activity other than dealing in capital markets products that are specified OTC derivatives contracts.”; and
- (c) by inserting, immediately after the words “paragraph (1)” in paragraph (3), the words “or (2)”.

Amendment of regulation 56

10. Regulation 56 of the principal Regulations is amended —

- (a) by deleting the semi-colon at the end of the definition of “specified foreign exchange contract” or “specified FX contract” and substituting a full-stop; and
- (b) by deleting the definition of “specified OTC derivatives contract”.

Amendment of regulation 57

11. Regulation 57 of the principal Regulations is amended by deleting the words “8 October 2020” in paragraphs (1), (2)(b), (3)(b) and (4)(b) and substituting in each case the words “8 October 2021”.

Amendment of regulation 59

12. Regulation 59 of the principal Regulations is amended by deleting the words “8 October 2020” in paragraphs (1), (2), (3)(b), (4)(b), (5)(b) and (6)(b) and substituting in each case the words “8 October 2021”.

Amendment of regulation 60

13. Regulation 60 of the principal Regulations is amended —

- (a) by deleting the words “regulation 54(1)” in paragraphs (1) and (2) and substituting in each case the words “regulations 54(1) and 54B(1)”; and
- (b) by deleting the words “8 October 2020” in paragraphs (1) and (2) and substituting in each case the words “8 October 2021”.

Amendment of regulation 61

14. Regulation 61 of the principal Regulations is amended by deleting the words “8 October 2020” in paragraphs (1) and (2) and substituting in each case the words “8 October 2021”.

Amendment of regulation 62

15. Regulation 62 of the principal Regulations is amended by deleting the words “8 October 2020” in paragraph (c) and substituting the words “8 October 2021”.

Deletion and substitution of regulations 63 and 64

16. Regulations 63 and 64 of the principal Regulations are deleted and the following regulations substituted therefor:

“Exemption for exempt persons under section 99(1)(a) or (b) of Act in respect of regulated activity other than dealing in capital markets products that are specified contracts

63. Despite regulation 54(1), a person mentioned in section 99(1)(a) or (b) of the Act who, immediately before 8 October 2018, was carrying on business in any regulated activity other than dealing in capital markets products that are specified contracts is, in respect of that business, exempt from regulations 26(1)(a)(i)(B)(BB) and (5), 27A, 34(2), 34A, 39(1)(da), (e) and (k) and (2)(ba), (bb), (bc), (c) and (d), 40, 47DA and 54B, until 8 October 2021.

Exemption for exempt persons under section 99(1)(c) of Act in respect of regulated activity other than dealing in capital markets products that are specified OTC derivatives contracts

64. Despite regulation 54(1), a person mentioned in section 99(1)(c) of the Act who, immediately before 8 October 2018, was carrying on business in any regulated activity other than dealing in capital markets products that are specified OTC derivatives contracts is, in respect of that business, exempt from regulations 26(1)(a)(i)(B)(BB) and (5), 27A, 34(2), 34A, 39(1)(da), (e) and (k) and (2)(ba), (bb), (bc), (c) and (d), 40, 47DA and 54B, until 8 October 2021.”.

Amendment of Second Schedule

17. The Second Schedule to the principal Regulations is amended —

- (a) by deleting the words “8 October 2020” in paragraph 3(4)(c)(ii) and substituting the words “8 October 2021”;
- (b) by deleting sub-paragraph (ii) of paragraph 3(4)(e) and substituting the following sub-paragraph:

“(ii) lodge with the Authority, within 5 months after the end of the financial year or such later date

allowed by the Authority, that account and balance-sheet, together with an auditor's certification in Form 34;”;

(c) by deleting the full-stop at the end of sub-paragraph (h) of paragraph 3A(1) and substituting a semi-colon, and by inserting immediately thereafter the following sub-paragraph:

“(i) a person who carries on business in dealing in capital markets products that are OTC derivatives contracts where —

(i) the OTC derivatives contracts are options in respect of any note, bond or Treasury Bill; and

(ii) the person carries on the business with —

(A) an accredited investor, expert investor or institutional investor; or

(B) a person whose business involves the acquisition and disposal of or holding of specified products, whether as principal or agent.”;

(d) by deleting the words “8 October 2020” in paragraph 3A(4)(c)(ii) and substituting the words “8 October 2021”; and

(e) by deleting sub-paragraph (ii) of paragraph 3A(4)(e) and substituting the following sub-paragraph:

“(ii) lodge with the Authority, within 5 months after the end of the financial year or such later date allowed by the Authority, that account and balance-sheet, together with an auditor's certification in Form 34;”.

[G.N. Nos. S 373/2005; S 275/2008; S 374/2008; S 709/2010; S 418/2011; S 18/2012; S 385/2012; S 503/2012; S 170/2013; S 171/2013; S 523/2016; S 587/2017; S 381/2018; S 667/2018; S 844/2019]

Made on 28 September 2020.

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