

**Securities and Futures (Market Conduct) (Exemptions) (Amendment)
Regulations 2010**

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No. S 426

**SECURITIES AND FUTURES ACT
(CHAPTER 289)**

**SECURITIES AND FUTURES (MARKET CONDUCT) (EXEMPTIONS)
(AMENDMENT) REGULATIONS 2010**

In exercise of the powers conferred by section 337(1) of the Securities and Futures Act, the Monetary Authority of Singapore hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Securities and Futures (Market Conduct) (Exemptions) (Amendment) Regulations 2010 and shall come into operation on 2nd August 2010.

Amendment of regulation 2

2. Regulation 2 of the Securities and Futures (Market Conduct) (Exemptions) Regulations 2006 (G.N. No. S 148/2006) (referred to in these Regulations as the principal Regulations) is amended —

- (a) by deleting the definition of “dealer” and substituting the following definition:

“ “dealer” —

- (a) in regulation 5 and in respect of any stabilising action undertaken in Singapore, means a person who is the holder of a capital markets services licence to deal in securities; and
- (b) in respect of any stabilising action undertaken outside Singapore, means 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 securities;”;

- (b) by deleting the definition of “offer” and substituting the following definition:

“ “offer” means an offer for subscription or purchase of securities in conjunction with the listing of such securities on a securities exchange, or on both a securities exchange and an overseas securities exchange, as the case may be, and includes an offer of additional securities to rank alongside securities that have been previously issued;”;

- (c) by deleting the words “section 239(1) of the Act or an offer information statement referred to in section 277(1)(b) of the Act” in the definition of “offer document” and substituting the words “section 239(1), 282A(1) or 283(1) of the Act or an offer information statement referred to in section 277(1)(b), 282ZB(1)(b) or 305B(1)(a) of the Act”;
- (d) by deleting the words “, after deducting any concession, commission, brokerage, transaction fee or levy” in the definition of “offer price”;
- (e) by deleting the definition of “over-allotment” and substituting the following definition:

“ “over-allotment”, in relation to an offer, means the allotment or sale of a nominal value or number of the relevant securities in excess of the nominal value or number, as the case may be, of the securities available for subscription or purchase under the offer;”;

- (f) by deleting the definitions of “stabilising action” and “stabilising manager” and substituting the following definitions:

“ “stabilising action”, in relation to an offer, means the action taken in Singapore or elsewhere by a stabilising manager, or by a dealer on behalf of the stabilising manager, to buy, or to offer or agree to buy, any relevant securities (whether on a securities market or otherwise) in order to stabilise or maintain the market price of such securities in Singapore or elsewhere;

“stabilising manager”, in relation to an offer, means a person —

- (a) who is appointed in writing by the issuer of an offer to take stabilising action in respect of the offer; and
- (b) whose appointment under paragraph (a) is notified to the securities exchange on which the relevant securities are or are intended to be listed —
 - (i) in the case of stabilising action taken under regulation 3A, before the closing date of the offer; and
 - (ii) in the case of stabilising action taken under regulation 3B, before the stabilising action is taken.”; and

- (g) by renumbering the regulation as paragraph (1) of that regulation, and by inserting immediately thereafter the following paragraph:

“(2) In these Regulations, whether a person is an associate of another person shall be ascertained in accordance with section 4(6) of the Act.”.

Deletion and substitution of regulation 3 and new regulations 3A and 3B

3. Regulation 3 of the principal Regulations is deleted and the following regulations substituted therefor:

“Exemption for stabilising action during offer of securities not listed on securities exchange

3. Sections 197, 198, 218(2) and 219(2) of the Act shall not apply in relation to any stabilising action taken in respect of an offer of securities where the relevant securities are not listed, and are not intended to be listed, on any securities exchange.

Exemption for stabilising action taken on securities exchange or overseas securities exchange

3A.—(1) Sections 197, 198, 218(2) and 219(2) of the Act shall not apply in relation to any stabilising action referred to in paragraph (2) taken in respect of an offer, if and only if the stabilising manager undertaking the stabilising action, and every dealer acting on behalf of the stabilising manager, complies with paragraphs (3) to (15) in carrying out the stabilising action.

(2) For the purpose of paragraph (1), the stabilising action shall be in respect of an offer which fulfils all of the following conditions which are applicable to it:

- (a) in the case where the relevant securities are or are intended to be listed on a securities exchange, the stabilising action is taken on the securities exchange;
- (b) in the case where the relevant securities are or are intended to be listed on both a securities exchange and an overseas securities exchange, the stabilising action is taken on either the securities exchange or the overseas securities exchange on which the relevant securities are or are intended to be listed, or on both;
- (c) the total value of the securities being offered, calculated based on the offer price, is not less than \$25 million (or its equivalent in a foreign currency);
- (d) in the case where the securities being offered are debentures, the total nominal value of the debentures that the stabilising manager buys to undertake stabilising action does not exceed 20% of the total nominal value of the debentures being offered prior to any over-allotment, if applicable;
- (e) in the case where the securities being offered are not debentures, the

total number of the securities that the stabilising manager buys to undertake stabilising action does not exceed 20% of the total number of the securities being offered prior to any over-allotment, if applicable;

- (f) the offer document states —
- (i) that stabilising action may be taken in respect of the relevant securities;
 - (ii) the maximum period during which stabilising action may be taken;
 - (iii) the total nominal value or number, as the case may be, of the relevant securities which are the subject of an over-allotment option, if applicable; and
 - (iv) the total nominal value or number, as the case may be, of the relevant securities that the stabilising manager may buy to undertake stabilising action, which shall not exceed the nominal value or number prescribed in sub-paragraph (d) or (e), as the case may be;
- (g) a public announcement has been made, through the securities exchange on which the relevant securities are or are intended to be listed, before the end of the trading day of that securities exchange immediately following the closing date of the offer, stating —
- (i) that such securities may be subject to stabilising action;
 - (ii) the maximum period during which stabilising action may be taken;
 - (iii) the total nominal value or number, as the case may be, of the relevant securities which are the subject of an over-allotment option, if applicable; and
 - (iv) the total nominal value or number, as the case may be, of the relevant securities that the stabilising manager may buy to undertake stabilising action, which shall not exceed the nominal value or number prescribed in sub-paragraph (d) or (e), as the case may be;