

# **Futures Trading (Amendment) Regulations 1997**

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**No. S 457**

## **FUTURES TRADING ACT (CHAPTER 116)**

### **FUTURES TRADING (AMENDMENT) REGULATIONS 1997**

In exercise of the powers conferred by sections 24 and 70 of the Futures Trading Act, the Monetary Authority of Singapore hereby makes the following Regulations:

#### **Citation and commencement**

1. These Regulations may be cited as the Futures Trading (Amendment) Regulations 1997 and shall come into operation on 2nd January 1998.

#### **Amendment of regulation 2**

2. Regulation 2 of the Futures Trading Regulations (Rg 1) (referred to in these

Regulations as the principal Regulations) is amended by inserting, immediately after the definition of “short”, the following definition:

“ “SIMEX” means the Singapore International Monetary Exchange Limited;”.

### **Deletion and substitution of regulation 11A**

3. Regulation 11A of the principal Regulations is deleted and the following regulation substituted therefor:

#### **“Minimum capital requirements of futures brokers**

**11A.**—(1) Subject to this regulation, a person shall not on or after 2nd January 1998 be granted or permitted to hold a futures broker’s licence unless —

- (a) in the case of a futures broker granted a futures broker’s licence before 6th January 1995 —
  - (i) where the futures broker is incorporated in Singapore, its shareholders funds are not less than \$5 million; or
  - (ii) where the futures broker is a foreign company, its net head office funds are not less than \$5 million;
- (b) in the case of a futures broker granted a futures broker’s licence on or after 6th January 1995 that is a member of an Exchange —
  - (i) where the futures broker is incorporated in Singapore, its paid-up capital and shareholders funds are each not less than \$5 million; or
  - (ii) where the futures broker is a foreign company, its net head office funds are not less than \$5 million;
- (c) in the case of a futures broker granted a futures broker’s licence on or after 6th January 1995 that is not a member of an Exchange —
  - (i) where the futures broker is incorporated in Singapore, its paid-up capital and shareholders funds are each not less than \$8 million; or
  - (ii) where the futures broker is a foreign company, its net head office funds are not less than \$8 million; and
- (d) in the case of a futures broker to which paragraph (2) applies —
  - (i) where the futures broker is incorporated in Singapore, its

paid-up capital and shareholders funds are each not less than \$500,000; or

- (ii) where the futures broker is a foreign company, its net head office funds are not less than \$500,000.

(2) Paragraph (1)(d) applies to a futures broker who is a member of an Exchange and who, in relation to such futures contracts as may be traded by him —

- (a) trades only in futures contracts in respect of which the underlying commodity is any class of oil;
- (b) trades only with accredited investors;
- (c) does not accept money, securities or property from a customer as a margin for, or to guarantee or secure, the futures contracts of that customer; and
- (d) does not carry customer's positions, margins or accounts in its own books.

(3) Notwithstanding paragraph (1)(a), the Authority may by notice in writing require that the paid-up capital of any futures broker referred to in paragraph (1)(a) be a sum not less than \$5 million within the time specified in the notice.

(4) The Authority may, by notice in writing, extend the time for the futures broker to comply with paragraph (3).

(5) A futures broker who fails to comply with a notice issued under paragraph (3) within the time allowed for compliance under this regulation shall not be permitted to hold a futures broker's licence.

(6) A futures broker shall not reduce its paid-up capital without the approval of the Authority.”.

## **Amendment of regulation 12**

### **4. Regulation 12 of the principal Regulations is amended —**

- (a) by deleting paragraph (1) and substituting the following paragraphs:

“(1) Subject to this regulation, every futures broker, other than a futures broker to which regulation 11A(1)(d) applies, shall not allow its adjusted net capital to fall for 4 consecutive weeks below the