

Commodity Futures Regulations

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Legislative History

COMMODITY FUTURES ACT
(CHAPTER 48A, SECTIONS 15, 16, 22, 27, 30, 32(1) AND 63)

COMMODITY FUTURES REGULATIONS

Rg 1

G.N. No. S 240/1992

REVISED EDITION 1993

(1st April 1993)

[27th May 1992]

Citation

1. These Regulations may be cited as the Commodity Futures Regulations.

Definitions

2. In these Regulations, unless the context otherwise requires —

“accounts” means profit and loss accounts and balance-sheets and includes notes (other than auditor’s reports) attached to or intended to be read with those profit and loss accounts or balance-sheets;

“connected persons”, in relation to a director, includes —

- (a) his spouse, son, adopted son, step-son, daughter, adopted daughter, step-daughter, father, mother, brother or sister; and
- (b) a firm, corporation or company in which any of the persons mentioned in paragraph (a) or the director is in a position to control not less than 20% of the voting power in the firm, corporation or company, whether such control is exercised individually or jointly;

“contract confirmation note” means a statement sent by a futures broker to a customer when there is a change in the customer’s futures positions, showing the number of contracts involved, the price at which the contracts were transacted, commission charges and the net profits or losses on the transactions;

“customer’s account” means a current or deposit account at a bank, merchant bank, clearing house, another commodity futures broker or any other person approved by the Board, in the name of the commodity futures broker or commodity futures pool operator in the title of which the word “customer” appears;

“bank” means any body corporate licensed to carry on banking business under the Banking Act;

[\[Cap. 19.\]](#)

“business day” means any day which the respective Commodity Futures Exchange or market is open for trading or deliveries;

“long” means one who has purchased a futures contract to establish a position;

“margin” means an amount of money or collateral deposited by the buyer or the seller of a commodity futures contract to ensure performance of the terms of the commodity futures contract;

“margin call” means a request from a Commodity Futures Exchange, clearing house or commodity futures broker to a customer to deposit additional margins to meet a required minimum margin level;

“mark-to-market” means the process whereby daily closing price of the commodity futures contract is used to value all outstanding positions of that particular futures contract at the end of the day and to establish the resulting gains and losses;

“merchant bank” means a merchant bank that is approved under the Monetary Authority of Singapore Act;

[\[Cap. 186.\]](#)

“net asset value” means the total assets minus total liabilities determined in accordance with generally accepted accounting principles with each commodity futures position valued at the prevailing market price;

“participant” means a person who has a direct financial interest in a commodity futures pool;

“position” means a commodity futures contract which is still outstanding and has not been liquidated by an offsetting transaction or by delivery of the commodity underlying the commodity futures contract or through settlement of the commodity futures contract in accordance with the rules of a Commodity Futures Exchange or the practices of a commodity futures market;

“property” includes movable and immovable property, and any estate, share and interest in any property, movable or immovable, and any debt, and anything in action, and any other right or interest, whether in possession or not;

“short” means one who has sold a commodity futures contract to establish a position;

“securities” has the same meaning as in the Securities Industry Act;

[\[Cap. 289.\]](#)

“senior creditor” means those creditors who for the time being hold or are entitled to the senior debt;

“senior debt” means the unpaid claims of all the creditors for the time being of the commodity futures broker however incurred;

“stock market” has the same meaning as in the Securities Industry Act;

“trading programme” means a system, method or programme pursuant to which a commodity futures trading adviser intends to use to direct or guide a customer’s commodity futures contract account.

Forms

3. The Board may, for the purposes of the Act and any regulations made thereunder, determine and design such forms as it may think fit and the Board may specify in such forms the particulars and any other matter in respect of which insertion or attachment is required and directions for the completion of the forms.

Particulars and directions in forms

4.—(1) Where a form determined or designed by the Board under regulation 3 requires completion by the insertion of or the attachment to the form of a document containing particulars or other matters referred to in the form, those particulars or other matters shall be regarded as the particulars or other matters required under the provisions of the Act or of these Regulations for the purposes of which the form or document is determined.

(2) A form determined or designed by the Board under these Regulations shall be completed in accordance with such directions as are specified in the form.

Manner of application for licence or approval

5.—(1) An application for a licence or renewal thereof shall be in such form as the Board may determine together with any relevant annexures and shall be enclosed in a sealed envelope and lodged with the Board. Each application for a licence shall be accompanied by a detailed statement of the applicant’s assets and liabilities signed by the applicant, or, in the case of an applicant which is a corporation, a copy certified by a director or the secretary of the corporation to be true copies of the last balance-sheet and of the last profit and loss account, incorporating the results of the last financial year, which have respectively been audited by the corporation’s auditors (including every document required by law to be annexed or attached thereto) together with a copy of the report of the auditors thereon (certified as aforesaid).

(2) An application for a licence or renewal of a licence shall be accompanied by a