

**SECURITIES AND FUTURES
(PRESCRIBED DEBENTURES)
REGULATIONS 201X**

DISCLAIMER: This version of the Regulations is in draft form and subject to change. It is also subject to review by the Attorney- General's Chambers.

No. S 000 –

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

**SECURITIES AND FUTURES (PRESCRIBED DEBENTURES) REGULATIONS
201X**

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation and commencement
2. Definition
3. Prescribed debentures

In exercise of the powers conferred by sections 2(1) and 341 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 (Prescribed Debentures) Regulations 201X and shall come into operation on <<date>>.

Definitions

2. In these Regulations, unless the context otherwise requires –
“precious metals” means gold, silver or platinum in any saleable form.

Prescribed debentures

3. – (1) For the purposes of paragraph (b) of the definition of “debenture” in section 2(1) of the Act, a document evidencing an arrangement which has all the following characteristics is prescribed as a debenture:

- (a) the arrangement is entered into on or after <<date>>;
- (b) the arrangement involves:
 - (i) a person (A) acquiring legal title to precious metals for valuable consideration from another person (B);
 - (ii) A having a right under the arrangement to require B (or a party acting on behalf of B) to re-acquire such legal title back from A at a future date and at an agreed price; and
 - (iii) the purpose or effect, or purported purpose or effect, of the arrangement is to enable A to receive a financial benefit from B.

(2) For the purposes of paragraph (1)(b)(iii), an arrangement is considered to have the purpose or effect, or purported purpose or effect, of enabling A to receive a financial benefit from B where:

- (a) under the arrangement, B pays A a sum of money or money's worth (whether in one payment or a series of payments); and
- (b) the total sum of money or money's worth referred to in (a) is more than the price paid by A to B for acquiring legal title to the precious metals from B.

(3) Notwithstanding subsection (2), an arrangement is not considered to have the purpose or effect, or purported purpose or effect, of enabling A to receive a financial benefit from B if it can be shown that the sum of money or money's worth that B pays A exceeds the price paid by A for acquiring legal title to the precious metals from B solely because of a reasonable allowance for inflation.

Made this day of 201x.

RAVI MENON
Managing Director,
Monetary Authority of Singapore.