

**SECURITIES AND FUTURES
(FINANCIAL AND MARGIN REQUIREMENTS FOR HOLDERS OF
CAPITAL MARKETS SERVICES LICENCES)
(AMENDMENT)
REGULATIONS 2014**

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
(FINANCIAL AND MARGIN REQUIREMENTS FOR HOLDERS OF
CAPITAL MARKETS SERVICES LICENCES)
(AMENDMENT) REGULATIONS 2014

In exercise of the powers conferred by sections 86(3), 95(1)(b), 100, 337 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 (Financial and Margin Requirements for Holders of Capital Markets Services Licences) (Amendment) Regulations 2014 and shall come into operation on [] 2014¹.

Amendment of regulation 24A

2. Regulation 24A of the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations (Rg 13) (referred to in these Regulations as the principal Regulations) is amended –

- (a) by deleting the regulation heading and substituting the following regulation heading:

“Margin requirements for contracts for differences and contracts or arrangements for the purpose of leveraged foreign exchange trading”;

- (b) by deleting paragraph (1) and substituting with the following paragraph:

“(1) The holder of a licence who enters into any contract for differences or any contract or arrangement for the purpose of leveraged foreign exchange trading with its customers shall obtain margin from each customer, in the form of acceptable collateral, for the purpose of trading in

¹ [These Regulations will come into operation 6 months from the date of publication of these Regulations.]

contracts for differences or leveraged foreign exchange trading, or both, as the case may be.”; and

- (c) by inserting, immediately after the words “for the purpose of trading in contracts for differences” in paragraph (3), the words “or leveraged foreign exchange trading, or both,”.

Amendment of the First Schedule

3. The First Schedule to the principal Regulations is amended –

- (a) by inserting, immediately after the words “(not being an applicant to which paragraph” in item 1(c) in the First column of the Table, the reference “(ca),”;
- (b) by inserting, immediately after item 1(c) in the First column and Second column of the Table, the following new item:

“

<p>(ca) the applicant (not being an applicant to which paragraph (d) or (e) applies)-</p> <ul style="list-style-type: none"> (i) is not a member of a securities exchange; and (ii) deals in one or more of the following securities with any customer who is not an accredited investor, an expert investor or an institutional investor – <ul style="list-style-type: none"> (A) any right, option or derivative in respect of any debentures, stocks or shares issued or proposed to be issued by a government, a corporation or body unincorporate; (B) any right under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure profit or avoid a loss by reference to fluctuations in – 	<p>\$5 million</p>
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<p>(a) the value or price of any debentures, stocks or shares issued or proposed to be issued by a government, a corporation or body unincorporate;</p> <p>(b) the value or price of any group of any debentures, stocks or shares issued or proposed to be issued by a government, a corporation or body unincorporate; or</p> <p>(c) an index of any debentures, stocks or shares issued or proposed to be issued by a government, a corporation or body unincorporate;</p> <p>(C) any right, option or derivative in respect of any debentures of a real estate investment trust; or</p> <p>(D) any right under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of any debentures of a real estate investment trust, any group of such debentures of a real estate investment trust or any index of such debentures of a real estate investment trust.</p>	
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”; and

- (c) by deleting item (3) in the First column and Second column of the Table and substituting the following item:

“

(3) Carrying out leveraged foreign exchange trading for –	
(a) any customer who is an accredited investor, an expert investor or an institutional investor; and	\$1 million
(b) any other customer.	\$5 million

”

Amendment of Table 18 of the Fourth Schedule

4. Table 18 of the Fourth Schedule to the principal Regulations is amended –

- (a) by deleting the heading of Table 18 and substituting the following heading:

“TABLE 18 – MINIMUM MARGIN REQUIREMENTS FOR CONTRACTS FOR DIFFERENCES AND CONTRACTS OR ARRANGEMENTS FOR THE PURPOSE OF LEVERAGED FOREIGN EXCHANGE TRADING”;

- (b) by deleting the words “2%” in the column labeled “MINIMUM MARGIN REQUIREMENTS” of the Table and substituting the following words:

“(a) 2% for contracts entered into with a customer who is an accredited investor, an expert investor or an institutional investor; and

(b) 5% for contracts entered into with a customer who is not an accredited investor, an expert investor or an institutional investor.” ; and

- (c) by inserting the following new item immediately after the last row of the Table:

“

CONTRACTS OR ARRANGEMENTS FOR THE PURPOSE OF LEVERAGED FOREIGN EXCHANGE TRADING	MINIMUM MARGIN REQUIREMENTS
Contracts or arrangements for the purpose of leveraged foreign exchange trading (other than CFDs)	<p>(a) 2% for contracts or arrangements entered into with a customer who is an accredited investor, an expert investor or an institutional investor; and</p> <p>(b) 5% for contracts or arrangements entered into with a customer who is not an accredited investor, an expert investor or an institutional investor.</p>

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Made this day of 2014.

RAVI MENON
Managing Director,
Monetary Authority of Singapore.