

**DRAFT AMENDMENTS TO THE
COMMODITY TRADING ACT (CTA)**

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

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Securities and Futures (Amendment) Bill

Bill No. /2015.

Read the first time on .

A BILL

i n t i t u l e d

An Act to

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

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2

Short title and commencement

1. This Act may be cited as the Securities and Futures (Amendment) Act 2015 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

5 **Consequential amendments to Commodity Trading Act**

X. The Commodity Trading Act (Cap. 48A, 2009 Ed.) is amended

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10 (a) by deleting the definitions of “business rules”, “clearing house”, “commodity”, “commodity broker”, “commodity broker’s representative”, “commodity contract” “commodity forward contract”, “commodity futures contract”, “commodity market”, “commodity pool operator”, “commodity pool operator’s representative”, “commodity trading adviser” and “commodity trading adviser’s representative” in section 2 and substituting the following definitions:

15 ““commodity” means any produce, item, goods or article that is the subject of any spot commodity trading, and includes an index, a right or an interest in such commodity, and such other index, right or interest of any nature as the Board may, by notification in the *Gazette*, prescribe to be a commodity; but does not include any produce, item, goods or article that is the subject of a derivative contract and any index, right or interest in such produce, item, goods or article;”;

(b) by deleting the definition of “customer” in section 2 and substituting the following definitions:

30 ““customer” means a person on whose account a spot commodity broker or spot commodity pool

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operator carries on trading in connection with spot commodity trading;

“derivative contract” has the same meaning as in section 2(1) of the Securities and Futures Act (Cap. 289);”;

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(c) by deleting the definitions of “leveraged commodity trading” and “member” in section 2;

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(d) by deleting the words “, but does not include a commodity broker” in the definition of “spot commodity broker” in section 2;

(e) by deleting the words “, but does not include a commodity broker’s representative” in the definition of “spot commodity broker’s representative” in section 2;

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(f) by deleting the words “, but does not include a commodity pool operator” in the definition of “spot commodity pool operator” in section 2;

(g) by deleting the words “, but does not include a commodity pool operator’s representative” in the definition of “spot commodity pool operator’s representative” in section 2;

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(h) by deleting section 3;

(i) by deleting Part II;

(j) by deleting sections 12 and 13;

(k) by deleting the words “or provided in such business rules of a commodity market as have been approved by the Board” in section 15(3);

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(l) by deleting paragraph (d) of section 18(2);

(m) by deleting paragraph (a) of section 20(2);

(n) by deleting Parts IV and V;

(o) by repealing sections 34 to 38 and 41;

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(p) by deleting subsection (1) of section 42 and substituting the following subsection:

5 “(1) Where it appears to the Board that any person has contravened or is contravening any of the provisions of this Act or any regulations made thereunder, the Board may, after giving any such person an opportunity of being heard, direct such person to comply with that provision or to cease contravening that provision, and that person shall comply with the direction.”;

10 (q) by deleting the words “A clearing house or any” in section 42(2) and substituting the words “Any”;

(r) by deleting the words “A commodity market, a clearing house or any” in section 42(3) and substituting the words “Any”;

15 (s) by deleting Part VII;

(t) by deleting sections 51, 52 and 53;

(u) by deleting section 54 and substituting the following section:

“False reports

20 **54.** Any person who, with intent to deceive, makes or furnishes, or knowingly and wilfully authorises or permits the making or furnishing of, any false or misleading statement or report to the Board or any officer thereof relating to any matter or thing required by
25 the Board for the proper administration of this Act, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$20,000 or to imprisonment for a term not exceeding 2 years or to both.”;

30 (v) by deleting the words “(including a commodity market or a clearing house)” in section 55;

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(w) by deleting subsections (1) and (2) of section 57 and substituting the following subsection:

“(1) A person who is not a spot commodity broker or spot commodity pool operator must not —

5 (a) take or use the title or description “spot commodity broker” or “spot commodity pool operator”; or

 (b) take or use, or have attached to or exhibited at any place, any title or description that resembles any of the titles specified in paragraph (a) or so
10 closely resembles any such title as to be calculated to deceive.”;

(x) by deleting subsection (1) of section 58 and substituting the following subsection:

15 “(1) Proceedings for an offence against any provision of this Act may be taken by the Board or, with the consent of the Public Prosecutor, by any other person.”;

(y) by inserting, immediately after the word “thereunder” in section 58(2), the words “(including an offence under a
20 provision that has been repealed)”;

(z) by deleting paragraphs (a) to (e) of section 63(2);

(za) by deleting subsection (4) of section 63;

(zb) by deleting section 65;

25 (zc) by deleting sub-paragraphs (a) to (d) of paragraph 1 of the Schedule;

(zd) by deleting the word “and” at the end of sub-paragraph (e) of paragraph 1 of the Schedule;

30 (ze) by deleting the full-stop at the end of sub-paragraph (f) of paragraph 1 of the Schedule and substituting a semi-colon, and by inserting immediately thereafter the following sub-paragraph:

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“(g) in respect of section 13A, a person who is —

(i) a bank licensed under the Banking Act (Cap. 19);

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(ii) a merchant bank that is approved as a financial institution under section 28 of the Monetary Authority of Singapore Act (Cap. 186); or

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(iii) a holder of a capital markets services licence issued under the Securities and Futures Act (Cap. 289),

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in respect of the same transactions or business carried out by the person for which he would, but for this sub-paragraph, be required to be licensed as a spot commodity broker, spot commodity broker's representative, spot commodity pool operator or a spot commodity pool operator's representative.”; and

(zf) by deleting paragraph 2 of the Schedule.

EXPLANATORY STATEMENT

Clause X provides for the consequential amendments to the Commodity Trading Act (Cap. 48A).
