

**DRAFT AMENDMENTS TO
THE SECURITIES AND FUTURES (TRADE REPOSITORIES)
REGULATIONS**

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

PART I
PRELIMINARY

Definitions

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

“annual report” means the audited profit and loss accounts, audited balance-sheet and auditors’ report, however described;

“accounting standards” means the accounting standards made or formulated by the Accounting Standards Council under Part III of the Accounting Standards Act (Cap. 2B);

“associate”, in relation to an entity (referred to in this definition as the first entity), means –

(a) any entity in which the first entity controls the composition of the board of directors or such corresponding officers as may be prescribed;

(b) any entity in which the first entity controls more than half of the voting power or such measure corresponding to voting power as may be prescribed;

(c) any entity in which the first entity holds more than half of the total number of issued shares or such corresponding interest as may be prescribed;

(d) a subsidiary of any other entity which is an associate by reason of paragraph (a), (b) or (c);

(e) any entity (referred to in this paragraph as the second entity) in which —

(i)the first entity; or

(ii)any entity which is an associate by reason of paragraph (a), (b), (c) or (d); or

has, or the entities in subparagraphs (i) and (ii) together have, an interest in shares entitling the beneficial owners thereof the right to cast (whether by proxy or in person) not less than 20% but not more than 50% of the total votes able to be cast at a general meeting of the second entity, or such corresponding interest as may be prescribed; or

(f) any entity (not being one which is an associate by reason of paragraph (a), (b), (c), (d) or (e)) the policies of which —

(i)the first entity; or

(ii) any entity which is an associate by reason of paragraph (a), (b), (c), (d) or (e),

or the entities in subparagraphs (i) and (ii) together are able to control or influence materially;

“business day” has the same meaning as in section 4(1) of the Companies Act (Cap. 50);

“group”, in relation to a licensed trade repository or licensed foreign trade repository, means a group of entities comprising the licensed trade repository or licensed foreign trade repository and —

(a) any of its associates; and

(b) any other entity treated as part of the trade repository’s group of companies according to the accounting standards applicable to the trade repository.

(2) Any word or expression used in these Regulations which is defined in section 46B of the Act shall, unless the context otherwise requires, have the same meaning as in that section.

[...]

PART III

REGULATION OF LICENSED TRADE REPOSITORIES

Division 1 – Obligations and Matters relating to

Licensed Trade Repositories

Obligation to notify Authority of certain matters

~~9.—(1) For the purposes of section 46K(1)(f)(i) of the Act, a licensed trade repository shall, as soon as practicable after the occurrence of any of the following circumstances, give the Authority notice of the circumstance:~~

~~(a) any civil or criminal legal proceeding instituted against the licensed trade repository, whether in Singapore or elsewhere;~~

~~(b) any disciplinary action taken against the licensed trade repository by any regulatory authority, whether in Singapore or elsewhere, other than the Authority;~~

~~(c) any change to the regulatory requirements imposed on the licensed trade repository by any regulatory authority, whether in Singapore or elsewhere, other than the Authority;~~

~~(d) any disruption of or delay in, or any suspension or termination of any systems relating to, the reporting of transactions to or through the~~

~~licensed trade repository in its capacity as a licensed trade repository, including those resulting from any system failure.~~

9.—(1) For the purposes of section 46K(1)(f)(i) of the Act, a licensed trade repository shall immediately inform the Authority when the licensed trade repository becomes aware:

- (a) that it has contravened or is likely to contravene, any provision of any Acts administered, or requirements imposed, by the Authority;
- (b) of any development that has occurred, or is likely to occur, which the licensed trade repository has reasonable grounds to believe has materially affected adversely, or is likely to materially affect adversely —
 - (i) the financial soundness or reputation of the licensed trade repository;
 - (ii) the financial soundness or reputation of any entity in the group of the licensed trade repository where such development affects the licensed trade repository; or
 - (iii) such other factors as the Authority may specify by notice in writing.
- (c) that a person who holds an office or appointment under section 46V(1) or section 46V(2) of the Act, is, in accordance with the guidelines issued by the Authority under the Act, no longer a fit and proper person to hold that office or appointment;
- (d) that a person approved under section 46U is, in accordance with the guidelines issued by the Authority under the Act, not a fit and proper person;
- (e) having regard to the likely influence of a person approved under section 46U, the licensed trade repository is not likely to be able to conduct its business prudently and comply with the provisions of the Act and directions made thereunder;
- (f) any change to the regulatory requirements imposed on the licensed trade repository by any regulatory authority, whether in Singapore or elsewhere, other than the Authority, that will have an impact on the licensed trade repository;
- (g) any disruption of or delay in, or any suspension or termination of any systems relating to, the reporting of transactions to or through the licensed trade repository in its capacity as a licensed trade repository, including those resulting from any system failure.

(2) Where a circumstance referred to in paragraph (1)(a), (b) or ~~(d)(g)~~ has occurred, the licensed trade repository shall, in addition to the ~~notice~~ notification to the Authority required under paragraph (1), within 14 days after the occurrence of the circumstance or such longer period as the Authority may permit, submit a report to the Authority of the circumstances relating to the occurrence, the remedial actions taken at the time of the occurrence, and the subsequent follow-up actions that the licensed trade repository has taken or intends to take.

(3) A licensed trade repository shall, within a reasonable period of time prior to entering into negotiations to establish a linkage, arrangement or co-operative arrangement with a person (being a person establishing or operating any clearing facility, any market or any other trade repository), give the Authority notice of such intent to enter into negotiations.

(4) In paragraph (3), “co-operative arrangement” shall not include —

- (a) any joint development of products and services;
- (b) any joint marketing efforts between the licensed trade repository and the person referred to in that paragraph in promoting the services of any clearing facility, market or trade repository established or operated by the licensed trade repository or the person; or
- (c) any memorandum of understanding for the exchange of information.

[...]

Obligation to notify Authority of certain matters

~~24. (1) For the purposes of section 46ZD(c)(i) of the Act, a licensed foreign trade repository shall, as soon as practicable after the occurrence of any of the following circumstances, give the Authority notice of the circumstance:~~

- ~~(a) any civil or criminal legal proceeding instituted against the licensed foreign trade repository, whether in Singapore or elsewhere, which may have a material impact on the operations or finances of the licensed foreign trade repository;~~
- ~~(b) any disciplinary action taken against the licensed foreign trade repository by any regulatory authority, whether in Singapore or elsewhere, other than the Authority;~~
- ~~(c) any material change to the regulatory requirements imposed on the licensed foreign trade repository by any regulatory authority, whether in Singapore or elsewhere, other than the Authority;~~
- ~~(d) any material disruption of or delay in, or any suspension or termination of any systems relating to, the reporting of transactions to and through~~

~~the licensed foreign trade repository in its capacity as a licensed foreign trade repository, including those resulting from any system failure;~~

- ~~(e) the licensed foreign trade repository becoming aware of any acquisition or disposal by any person of a substantial shareholding in the licensed foreign trade repository.~~

24.— (1) For the purposes of section 46ZD(c)(i) of the Act, a licensed foreign trade repository shall immediately inform the Authority when the licensed foreign trade repository becomes aware:

- (a) that it has contravened or is likely to contravene, any provision of any Acts administered, or requirements imposed, by the Authority;
- (b) of any development that has occurred, or is likely to occur, which the licensed foreign trade repository has reasonable grounds to believe has materially affected adversely or is likely to materially affect adversely —
 - (i) the financial soundness or reputation of the licensed foreign trade repository;
 - (ii) the financial soundness or reputation of any entity in the group of the licensed foreign trade repository where such development affects the licensed foreign trade repository; or
 - (iii) such other factors as the Authority may specify by notice in writing.
- (c) that a person who holds an office or appointment as chairman, chief executive, or director of a licensed foreign trade repository is, in accordance with the guidelines issued by the Authority under the Act, no longer a fit and proper person to hold that office or appointment;
- (d) any change to the regulatory requirements imposed on the licensed foreign trade repository by any regulatory authority, whether in Singapore or elsewhere, other than the Authority, that will have a material impact on the licensed foreign trade repository;
- (e) any disruption of or delay in, or any suspension or termination of any systems relating to, the reporting of transactions to or through the licensed foreign trade repository in its capacity as a licensed foreign trade repository, including those resulting from any system failure;
- (f) the licensed foreign trade repository becoming aware of any acquisition or disposal by any person of a substantial shareholding in the licensed foreign trade repository.