

Rule Amendments to Futures Trading Rules

Note: Rule amendments are indicated in ~~red strikethroughs~~ and underline.

RULE AMENDMENTS

Chapter 3 Conduct of Members, Approved Traders and Representatives

3.2.3 Reporting of Change in Member's Circumstances

Without prejudice to Rule 2.14.1, a Member shall immediately inform the Exchange in writing of:

- (a) any material change to the information submitted in its application for Membership; or
- (b) any facts or circumstances which may change the legal form or organisation of the Member or its trading activities on the Markets, including (without limitation) any consolidation, re-organisation, merger, change of name, Change of Control or similar event.

3.2.3A Reporting and Other Requirements Pertaining to Specific Contracts

Each Member shall comply with such reporting and/or other requirements pertaining to specific Contracts as may be prescribed by the Exchange from time to time.

Refer to Regulatory Notice 3.2.3A.

3.2.4 Other Reporting Obligations of Members

A Member shall inform the Exchange in writing immediately if the Member, or any of its Approved Traders, Registered Representatives, directors, officers or employees, as the case may be:

- (a) breaches any provisions of the Act, this Rules or any applicable laws (foreign or local) governing the Member's activities;
- (...)

The reporting obligations under this Rule 3.2.4 apply whenever any of the abovementioned events occurs, or threatens to occur.

3.3.3 Risk Disclosure Statement

- (a) A Member shall obtain a written acknowledgement from its Customer that the Customer is aware* of the risks associated with trading in Contracts.
- (b) The written acknowledgement shall:
 - (i) in the case of a General Trading Member that holds a licence to engage in a Regulated Activity, contain such requirements as contemplated under the Act;

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- (ii) in the case of a General Trading Member that holds a licence specified in Rule 2.4.1(b), contain such requirements as may be prescribed by the Relevant Regulatory Authority. The General Trading Member shall immediately notify the Exchange on any changes to such requirements. Notwithstanding the foregoing, the Exchange shall have the discretion to prescribe additional requirements; ~~and~~
- (iii) in the case of a Bank Trading Member, contain such requirements as contemplated under the Act and include an acknowledgement by the Customer that the Investor Compensation Scheme contemplated under Part XI of the Act does not apply in relation to the Bank Trading Member; ~~and~~
- (iv) in each case, contain such information as may be prescribed by the Exchange from time to time.

**Refer to Regulatory Notice 3.3.3.*

Regulatory Notices

Regulatory Notice 3.2.3A — Reporting and Other requirements in relation to Dairy Contracts

<u>Issue Date</u>	<u>Cross Reference</u>	<u>Enquiries</u>
<u>Added on 22 November 2021.</u>	<u>Rule 3.2.3A</u>	<u>Please contact Member Supervision Officers or email asksgx@sgx.com.</u>

1 Introduction

- 1.1 This Regulatory Notice sets out additional reporting and other requirements in relation to Dairy Contracts (defined below).
- 1.2 For the purposes of this Regulatory Notice, “Dairy Contracts” refers to Contracts in relation to dairy products which are listed and traded on the SGX-DT Market

2 Submission of Information

- 2.1 Each Trading Member shall report to the Exchange if it fulfills the requirements of any of sub-paragraphs 2.1(a) or 2.1(b) below:
 - (a) It is resident or incorporated in New Zealand; or

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(b) It is not resident or incorporated in New Zealand, and it is making offers of Dairy Contracts to retail investors (as defined under Section 6 of the New Zealand Financial Markets Conduct Act 2013) in New Zealand.

2.2 For the purposes of paragraph 2.1 above, the Dairy Contracts are considered to be offered in New Zealand if an offer is received by a person in New Zealand regardless of where any resulting issue or transfer occurs and regardless of where the issuer or offeror is resident, incorporated, or carries on business.

2.3 Each Trading Member shall report the information pursuant to paragraph 2.1 above to the Exchange within fourteen (14) calendar days of the effective date of this Regulatory Notice. Thereafter, any application for Trading Membership must include the information to be reported pursuant to paragraph 2.1 above.

2.4 Each Trading Member shall report to the Exchange any change to its circumstances previously reported pursuant to paragraph 2.1 above, within fourteen (14) calendar days of such change.

2.5 If a Trading Member fulfills either of the requirements in paragraph 2.1 above, it shall ensure that all trades of Dairy Contracts are cleared through one or more dedicated disclosed account(s) (i.e. not through an undisclosed Omnibus Account) under its relevant Clearing Member.

(...)

Regulatory Notice 3.3.3 — Disclosure Obligations in relation to trading in Dairy Contracts

<u>Issue Date</u>	<u>Cross Reference</u>	<u>Enquiries</u>
<u>Added on 22 November 2021.</u>	<u>Rule 3.3.3</u>	<u>Please contact Member Supervision Officers or email asksgx@sgx.com.</u>

1 Introduction

1.1 In this Regulatory Notice, unless the context requires otherwise, the following capitalised terms shall have the meanings set forth below:

“Dairy Contracts” refers to Contracts in relation to dairy products which are listed and traded on the SGX-DT Market.

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“New Zealand Client” refers to any Person, who is resident, incorporated or domiciled in New Zealand.

1.2 This Regulatory Notice sets out additional details which a Trading Member must disclose to its Customer who is a New Zealand Client in relation to trading in Dairy Contracts.

2 Disclosure to Customers

2.1 Before a Trading Member accepts the first order from a Customer who is a New Zealand Client to trade in any Dairy Contract on the Exchange, the Trading Member must disclose to the Customer who is a New Zealand Client the significant differences between trading derivatives on the Exchange and trading derivatives on a New Zealand-based market.

2.2 The matters that must be disclosed include, but are not limited to, the following:

- (a) the Exchange’s principal place of business is located in Singapore;
- (b) the Exchange is regulated primarily under the regulatory regime of Singapore;
- (c) the rights and remedies of, and compensation arrangements for, investors who acquire products offered on the Exchange may differ from the rights and remedies of, and compensation arrangements for, investors who acquire products offered on a New Zealand-based market; and
- (d) New Zealand investors who acquire products offered on the Exchange may be subject to the effects of changes in currency exchange rates.

RULE AMENDMENTS												
Schedule A												
Chapter 3 — Conduct of Members, Approved Traders and Representatives												
Rule Violation		Whether composition may be offered	Composition Amount which may be Offered by the Exchange, where the Exchange has Determined the Member, Approved Trader and/or Registered Representative to be Liable									Mandatory minimum penalty imposed by the DC
Rule Chapter/Number	Brief Description of Rule		Members			Approved Traders			Registered Representatives			
			1st Violation	2nd Violation	3rd Violation	1st Violation	2nd Violation	3rd Violation	1st Violation	2nd Violation	3rd Violation	
Chapter 3 — Conduct of Members, Approved Traders and Representatives												
3.2		Duties Applicable to All Members, Approved Traders and Registered Representatives										
3.2.3	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)
3.2.3A <u>r/w Regulatory Notice</u>	<u>Member to comply with such reporting and/or other requirements pertaining to specific Contracts as may be prescribed by the Exchange</u>	<u>Compoundable</u>	<u>\$2,000 – \$4,000</u>	<u>\$4,000 – \$7,000</u>	<u>\$7,000 – \$10,000</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>
(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)	(...)
3.3		Duties of Members Undertaking Agency Trades										

