



## **Regulatory Announcement - SGX Proposes Admission of Remote Trading Members for Securities Markets**

27 December 2010 – Singapore Exchange (“SGX”) proposes to expand membership on the securities market to foreign brokers based abroad. These brokers, regarded as remote trading members will observe their home rules and deal only for foreign investors.

The proposal will expand the pool of international participation. Foreign investors can deal into the Singapore markets with greater convenience and choice. This will in turn lead to increased liquidity in our Singapore market.

### **Benefits to the Singapore Market: Increased Participation and Efficiency**

At present, some foreign investors transact through multiple layers of intermediaries in order to access the Singapore markets. With the introduction of the remote trading members, foreign investors will be served by a wider pool of trading professionals with access to the Singapore market. This initiative will extend the reach of SGX into the international market.

### **Maintaining the Standards and Quality**

Remote Trading Members will be observing regulatory requirements which are on par with those in Singapore. Some of these are:-

- licensing from a recognised foreign regulator/jurisdiction;
- high standards of business conduct, including the provision of risk disclosure statements, issuance of contract notes and statements of accounts to investors;
- minimum financial requirements such as minimum shareholders’ funds of S\$1 million and complying with ongoing financial obligations under a comparable capital adequacy framework; and
- proper internal controls and risk management systems.

All trades will continue to be cleared via a Singapore-based SGX clearing member.

Regulatory standards for remote trading members in the derivatives markets will be aligned with those of the securities market, allowing them to observe their home rules.

The details of the proposed amendments to the SGX-ST Trading Rules and Future Trading Rules, and the proposed regulatory framework for the admission of Remote Trading Members, can be found in Appendix A.

The consultation paper, which explains the rationale and proposed amendments in detail, which is available [here](#). Market participants and members of the public can give their feedback and suggestions on the above proposed amendments from 27 December 2010 to 24 Jan 2011 via email and post/courier or fax:

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