By E-mail

To: SFA_FAA_LegisConsult@mas.gov.sg

June 5, 2017

Dear Sirs and Madams,

Consultation Paper I on Draft Regulations Pursuant to the Securities and Futures Act

The International Swaps and Derivatives Association, Inc. (ISDA), the Futures Industry Association (FIA) and the Asia Securities Industry & Financial Markets Association (ASIFMA) (together the Associations) welcome the opportunity to provide feedback to the Monetary Authority of Singapore (MAS) on its Consultation Paper 1 on Draft Regulations Pursuant to the Securities and Futures Act (the Consultation Paper I).

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 850 member institutions from 68 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers.

FIA is the leading global trade organisation for the futures, options and centrally cleared derivatives markets, with offices in London, Singapore and Washington, D.C. FIA’s membership includes clearing firms, exchanges, clearinghouses, trading firms and commodities specialists from more than 48 countries as well as technology vendors, lawyers and other professionals serving the industry. FIA’s mission is to support open, transparent and competitive markets, protect and enhance the integrity of the financial system, and promote high standards of professional conduct. As the principal members of derivatives clearinghouses worldwide, FIA’s clearing firm members play a critical role in the reduction of systemic risk in global financial markets.

ASIFMA is an independent, regional trade association with more than 100 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Through the GFMA alliance with SIFMA in the US and AFME in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region.

The Associations note that the Securities and Futures (Amendment) Act 2017 (the Act) was passed in Parliament on January 9, 2017 and are fully supportive of MAS’s efforts to consult on the draft Regulations as set out in Consultation Paper I. We further note that MAS has issued its second Consultation Paper which will complete the implementation of the legislative amendments. We welcome further industry discussions and consultation with MAS as we move forward in this consultation process.
We set out our general comments and more detailed responses to the questions raised in Consultation Paper I in the template provided by MAS and attached as an Appendix to this letter. Our comments are focused on the new Securities and Futures (Markets) Regulations and the new Securities and Futures (Financial Benchmarks) Regulations only.

We thank you for this opportunity to respond to Consultation Paper I and we would be happy to discuss with you in greater detail the comments we have provided. Please do not hesitate to contact Keith Noyes, Regional Director, Asia Pacific of ISDA (knoyes@isda.org or at +852 2200 5909), Jing Gu, Senior Counsel of ISDA (jgu@isda.org or at +65 6653 4170), Erryan Abdul Samad, Assistant General Counsel of ISDA (eabdulsamad@isda.org or at +65 6653 4170), Phuong Trinh, General Counsel of FIA (ptrinh@fia.org or at +65 6549 7335) and Wayne Arnold, Executive Director – Head of Policy and Regulatory Affairs (warnold@asifma.org or at +852 2531 6560) if you have any questions.

Yours sincerely,

Keith Noyes  
Regional Director, Asia-Pacific  
ISDA

Bill Herder  
Head of Asia-Pacific  
FIA

Mark Austen  
Chief Executive Officer  
ASIFMA
RESPONSE TO CONSULTATION PAPER

Please note that all submissions received will be published and attributed to the respective respondents unless they expressly request MAS not to do so. As such, if respondents would like (i) their whole submission or part of it, or (ii) their identity, or both, to be kept confidential, please expressly state so in the submission to MAS. In addition, MAS reserves the right not to publish any submission received where MAS considers it not in the public interest to do so, such as where the submission appears to be libellous or offensive.

<table>
<thead>
<tr>
<th>Consultation topic:</th>
<th>Draft Regulations Pursuant to the Securities and Futures Act (Consultation Paper I)</th>
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<tbody>
<tr>
<td>Name¹/Organisation:</td>
<td>International Swaps and Derivatives Association, Inc. (ISDA)</td>
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<tr>
<td></td>
<td>Asia Securities Industry &amp; Financial Markets Association (ASIFMA)</td>
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<td></td>
<td>Futures Industry Association (FIA)</td>
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<tr>
<td>Contact number for any clarifications:</td>
<td>Keith Noyes, Regional Director, Asia-Pacific (+852 2200 2909)</td>
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<tr>
<td></td>
<td>Jing Gu, Senior Counsel (+65 6653 4170)</td>
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<td></td>
<td>Erryan Abdul Samad, Assistant General Counsel (+65 6653 4170)</td>
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<td>Phuong Trinh, General Counsel (+65 6549 7335)</td>
</tr>
<tr>
<td></td>
<td>Wayne Arnold, Executive Director – Head of Policy and Regulatory Affairs (+852 2531 6560)</td>
</tr>
<tr>
<td>Email address for any clarifications:</td>
<td><a href="mailto:knoyes@isda.org">knoyes@isda.org</a> / <a href="mailto:jgu@isda.org">jgu@isda.org</a> / <a href="mailto:eabdulsamad@isda.org">eabdulsamad@isda.org</a></td>
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<td></td>
<td><a href="mailto:ptrinh@fia.org">ptrinh@fia.org</a></td>
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<td></td>
<td><a href="mailto:warnold@asifma.org">warnold@asifma.org</a></td>
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Confidentiality

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<th>I wish to keep the following confidential:</th>
<th>Not applicable.</th>
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(Please indicate any parts of your submission you would like to be kept confidential, or if you would like your identity to be kept confidential. Your contact information will not be published.)
General comments:

1. We welcome the opportunity to provide feedback and to continue to work with MAS on this important initiative. We will be providing feedback on the new Securities and Futures (Markets) Regulations and the new Securities and Futures (Financial Benchmarks) Regulations only.

2. On the regulation of market operators, we note that MAS’s intention is not to regulate an entity if it performs a market intermediation function as opposed to operating an organised market. However, inasmuch as all organised markets will perform a market intermediation function, this distinction may not be particularly helpful.

3. The definition of an “organised market” is broad. Assuming that any of derivatives contracts, securities or units in collective investment schemes are involved, the definition is broad enough to sweep within its embrace:

(a) facilities such as a bulletin board that performs a price discovery function but on which no trade execution occurs;

(b) if not for the proviso excluding “one-to-many” facilities, single-dealer trading platforms where the trade is always executed facing the dealer as the counterparty;

(c) facilities operated by say a corporate treasury centre for intra-group orders;

(d) facilities operated by capital markets services license (“CMSL”) holders such as on-line securities trading platforms, robo-advisory platforms and crowd-funding platforms;

(e) facilities operated by inter-dealer brokers (“IDBs”);

(f) facilities operated by post-trade service providers such as portfolio compression service providers and bulk risk mitigation service providers as new trades may result from those services.

4. From MAS’s Guidelines on the Regulation of Markets (the “Market Guidelines”) and MAS’s Response to feedback on its February 2012 Consultation Paper, we note that MAS would consider any facility that performs a price discovery function by facilitating the interaction of bids and offers and where buyers and sellers can reasonably be expected to transact on the basis of the posted prices to be an organised market. Conversely, we note that MAS would not consider (i) non-multilateral or “one-to-many” facilities, such as single-dealer trading platforms where the trade is always executed facing the dealer as the counterparty (regardless of whether the operator of the platform is a CMSL holder or an exempt person under Section 99 or otherwise) or (ii) order routing facilities to be organised markets. However, the examples in paragraphs 3(c) to (f) do not clearly fall into either category. We presume that MAS will be updating the Market Guidelines and we would request that the updated Market Guidelines deal with the above examples. We hope that MAS will also issue the draft of the updated Market Guidelines for public consultation before the implementation date. Our position on which side of the line they should fall into is as follows:

1 “organised market” means a place at which or a facility (whether electronic or otherwise) by means of which, offers or invitations to exchange, sell or purchase derivatives contracts, securities or units in collective investment schemes, are regularly made on a centralised basis, being offers or invitations that are intended or may reasonably be expected to result, whether directly or indirectly, in the acceptance or making, respectively, of offers to exchange, sell or purchase derivatives contracts, securities or units in collective investment schemes (whether through that place or facility or otherwise)”.  

4
(a) Intra-group facilities described in paragraph 3(c) should not be treated as an organised market.

(b) Section 99 exempts an approved exchange or a recognised market operator from having to obtain a CMSL licence if its carrying on of business in a regulated activity is “solely incidental” to its operation of the organised market. We submit that the reverse should also apply, that is, where the operation of an organised market is solely incidental to the carrying on of business in the relevant regulated activity by a CMSL holder or an exempt person under Section 99 or otherwise, and/or where it is a mere order routing facility, the CMSL holder or exempt person should not be required to be licensed and regulated as an approved exchange or recognised market operator. Thus, in the situations described in paragraphs 3(d) and (e) above, so long as the CMSL holder or exempt person satisfies the “solely incidental” test, it should not have to be licensed and regulated as an operator of an organised market. We note that currently, MAS would have the power to treat such a CMSL holder or exempt person as an exempt market operator and that the SFA17 will abolish this category of exempt market operator. What we are proposing, however, is much more limited than the current exempt market operator status as it is conditioned upon the CMSL holder or exempt person satisfying the “solely incidental” test. Our proposal is thus not inconsistent with the abolishment of the exempt market operator status.

(c) We presume that it is not MAS’s intention to subject post-trade service providers described in paragraph 3(f) to licensing and regulation as organised market operators. We propose that all post-trade services, including portfolio compression and bulk risk mitigation services which may result in new trades, that serve the purpose of risk-reduction not be treated as organised markets. Post-trade risk reduction services can be clearly differentiated from trading activities in that they do not involve the interaction of buying and selling interests and are not price-forming. Instead, they are designed to reduce counterparty credit risk, basis risk and/or operational risk.

5. We note that in MAS’s Response to feedback on its February 2012 Consultation Paper, MAS has stated that independent technology vendors that provide services in relation to organised markets would not be considered to be establishing, operating or holding itself out as operating an organised market. This is also consistent with the Market Guidelines except that we would request that the scope of the Market Guidelines be expanded appropriately to effect MAS’s intention. For example, the Market Guidelines is limited to services being provided to “licensed intermediaries or market operators” (this should be expanded to include exempted persons under Section 99 or otherwise, including Paragraph 9 of the Third Schedule or the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations) of “order routing facilities or trading facilities” (this should be expanded to any facility that would be deemed to be an organised market).

6. We note that in its Consultation Paper I, has stated that it will not differentiate based on whether the facilities are “voice-assisted” or electronic. This is also consistent with the Market Guidelines. We fully agree with MAS’s stance that regulation should be on a technology neutral basis.

7. On the regulation of financial benchmarks, we note that MAS, in its Response to feedback on its June 2013 Consultation Paper, had confirmed that the regime is not intended to cover what is termed “Traded Benchmarks” (as compared with “Surveyed Benchmarks”) in SFEMC’s Blue Book, except (i) insofar as “Brokers” will require authorisation as authorised benchmark submitters (we assume unless they qualify as exempt benchmark submitters), and (ii) insofar as the Traded Benchmark has a fallback mechanism in case of disruption that uses a Surveyed Benchmark methodology. We note that MAS has stated its intention to designate SIBOR and SOR as designated benchmarks. The application of the SF(FB)R to SIBOR appears straightforward enough. We assume and seek MAS’s confirmation that in relation to SOR which is a Traded Benchmark, the SF(FB)R would only require money brokers to be authorised as authorised
benchmark submitters. We seek MAS’s clarification of how the SF(FB)R would apply to benchmarks with a fallback that relies on a Surveyed Benchmark methodology (for example, the NDF benchmarks that use the SFEMC Indicative Survey as the fallback mechanism in case of disruption). For example, would the benchmark submitters for the fallback survey have to be identified from the outset? If yes, pending a disruption and the initiation of the fallback survey, how would requirements such as the audit requirement apply? We urge that the SF(FB)R be amended to clarify this.

8. MAS, in its Response to feedback on its June 2013 Consultation Paper, had indicated, in relation to Traded Benchmarks, that it would issue regulations under Part VIAA to impose requirements on banks to keep written records of their transactions in the underlying market of the relevant designated benchmark and their exposure to instruments which reference the relevant designated benchmark. However, we note that the SF(FB)R does not impose any such requirements. We would like to seek further guidance on MAS’s plans in this regard.

9. We submit that a “lighter-touch” regime should apply to benchmark submitters as compared with benchmark administrators. While a benchmark submitter will no doubt derive indirect benefits from a functioning marketplace, a benchmark submitter, unlike a benchmark administrator, derives no direct pecuniary reward from its activity. The regime applicable to benchmark submitters should thus be designed to guard against manipulation and no more.

10. It is common practice for the benchmark administrator to out-source the day-to-day administration to a third party. For example, ABS Benchmarks Administration Co Pte Ltd which is the administrator of SIBOR and SOR has appointed Thomson Reuters as the calculating agent. Given the definition of “administering a financial benchmark”, such third party would also have to be authorised as an authorised benchmark administrator, i.e., both ABS Benchmarks Administration Co Pte Ltd and Thomson Reuters would need to be authorised as authorised benchmark administrators. The SF(FB)R would apply all the requirements equally to both ABS Benchmarks Administration Co Pte Ltd and Thomson Reuters. This is not in line with MAS’s June 2013 Consultation Paper where it had suggested that requirements such as the Oversight Committee and Code on Designated Benchmark would not apply to a party like Thomson Reuters performing the role of calculating agent. We urge that the SF(FB)R be amended to clarify this.

11. We would like to discuss with MAS its plans with regard to substituted compliance and seeking equivalence determinations with regard to both trading venues and financial benchmarks.

Question 1. MAS seeks comments on the draft SF(M)R at Annex B.

Please see the attached Schedule I.

Question 2. MAS seeks comments on the proposed minimum admission requirements for market operators.

No comment.

Question 3. MAS seeks comments on the proposed requirements on market operators to have in place measures to –

(a) ensure the handling and execution of bids and offers on a fair and objective basis, and take into account the interests of market participants; and

(b) facilitate execution of customer orders in the customer’s interest.

The over-arching purpose of regulation of market operators should be to ensure fair, orderly and transparent markets. Sections 15 and 33 of the Securities and Futures Act (as amended by the
Securities and Futures (Amendment) Act 2017) (“SFA17”) already imposes this obligation on approved exchanges and recognised market operators. This is different from the duty of best execution. In order to discharge the duty of best execution, one of the questions to consider would be which market to execute the customer’s order on. It would be counter-intuitive to impose a duty of best execution on the market operator as this would require the market operator to take into account whether it would be better for the customer if the customer’s order were executed on another market and if so, to route the order elsewhere.

We submit that the imposition of the obligation to ensure fair, orderly and transparent markets in the SFA17 (which now explicitly requires the maintenance of “governance arrangements” adequate to ensure that its organised market is operated in a fair, orderly and transparent manner, and which is extended in its application to recognised market operators) suffices without the need for further provision in the SF(M)R. If MAS thinks it necessary to elaborate on the requirements via the SF(M)R, we submit that a great deal of further thought needs to be put in. For example, the current draft states that the requirements of Regulation 13(1)(a) would be satisfied by a set of predetermined rules. These rules could therefore include “last look” which, while it has its supporters, also has its detractors. The crux of the matter should be that organised markets must be operated in a fair, orderly and transparent manner. How this is achieved would differ depending on the market concerned and its participants. Given the diversity of markets and participants, we submit that it may be counter-productive for MAS to be prescriptive in the SF(M)R on how this should be achieved. The current practice of elaborating on the requirements via the Market Guidelines has served the markets well. We urge MAS to continue this practice.

Question 4. MAS seeks comments on the exemption of an entity from Part II of the SFA if it is subject to Part IV of the SFA in respect of its activity of broking of “block futures” or “negotiated large trades” for exchange-traded derivatives contracts.

As submitted above, we are of the view that IDBs should not be required to be licensed and regulated as operating an organised market so long as their operation of an organised market is “solely incidental” to their carrying on of business in a regulated activity for which they are either licensed under Part IV as a dealer in capital markets products or exempted from licensing. There should not be any condition limiting this to “block futures” or “negotiated large trades”. There should also not be a condition limiting this to exchange-traded products.

Question 5. MAS seeks comments on the transitional arrangements for operators of OTC derivatives organised markets.

Assuming MAS agrees with our above submissions on the scope of organised markets, we believe that the transition period should be adequate. But if the scope is as broad as the definition of “organised markets” suggests, we believe it would be grossly inadequate.

Question 6. MAS seeks comments on requiring a benchmark administrator to establish an oversight committee responsible for the maintenance and governance of the designated benchmark.

We fully endorse the principle underlying this requirement insofar as it applies to the actual administrator such as ABS Benchmarks Administration Co Pte Ltd and note that this has already been implemented in practice via SFEMC’s Blue Book. However, we do not think that this is appropriate insofar as it applies to a calculating agent such as Thomson Reuters. We are also concerned about the practicality of this requirement looking further into the future. In future, when there are more designated benchmarks and more authorised or exempt benchmark administrators, we wonder if there will be sufficient individuals to sit on the various oversight committees. To the extent that such individuals sit on more than one oversight committee, we think a code of
governance dealing with conflicts of interest would be necessary. While the code for public listed companies would provide a useful base, it would not be sufficient. As a general principle, a person should not sit on the board of directors of two public listed companies if both of them are competitors. Sitting on the oversight committees of two or more benchmark administrators would go against this principle.

**Question 7.** MAS seeks comments on requiring at least one-third of the membership of the Oversight Committee be persons who are not directors, key management officers or substantial shareholders of the benchmark administrator and benchmark submitters who provide information to the benchmark administrator in respect of that particular designated benchmark.

Again, while we fully endorse the principle underlying this requirement, we are concerned with its practicality, especially given the small community in Singapore. This is not a requirement in SFEMC’s Blue Book.

**Question 8.** MAS seeks comments on the requirement for an independent external audit of benchmark administrators and benchmark submitters.

We agree with imposing this requirement on benchmark administrators but not on benchmark submitters. Benchmark submitters should have the option of relying on their internal auditors. We note that this point has been raised in the past and that MAS, in its Response to feedback on its June 2013 Consultation Paper, had taken the stance that an external audit should be required as the norm given the scale of deficiencies in governance and risk management that had been observed. However, with the benefit of MAS’s supervisory review of compliance over the 3 years that has passed since then, we hope that MAS can re-consider its position. We would also submit that instead of “hard-wiring” such requirements in the SF(FB)R, it would be better to leave this to be provided for in the relevant Code on Designated Benchmark which would require MAS's approval pursuant to Section 123O(1)(b).

**Question 9.** MAS seeks comments on providing a transition period for benchmark administrators and submitters.

We believe the transition period should be adequate.

**Question 10.** MAS seeks comments on the proposed SF(FB)R attached at Annex C.

Please see the attached Schedule II.

**Question 11.** MAS seeks comments on the draft SF(OI)(CIS)R attached at Annex D.

No comment.

**Question 12.** MAS seeks comments on the three proposed factors which MAS may take into account when considering whether to recognise a foreign fund, other than the laws and practices under which a foreign fund is governed.

No comment.

**Question 13.** MAS seeks comments on the proposed conditions that Physical Assets Funds offered to AIs must satisfy, before being exempted from fund authorisation and prospectus registration requirements under Section 305 of the SFA.

No comment.
Question 14. MAS seeks comments on the drafting of the amendments to clarify that the restriction on the disclosure of past performance based on simulated results of a hypothetical fund does not extend to the disclosure of pro forma financial information by a REIT.

No comment.

Question 15. MAS seeks comments on the draft amendments to allow Restricted Funds in the form of REITs to have managers who are licensed or regulated to carry out REIT management activities in their principal place of business.

No comment.
## Schedule I
### Comments on the Securities and Futures (Markets) Regulations 2017

<table>
<thead>
<tr>
<th>Provision</th>
<th>Comments</th>
</tr>
</thead>
</table>
| Regulation 2(1): “position” | 1. Delete sub-paragraph "(d) by substituting the derivatives contract for a cash commodity; ".
   
   In market parlance, "cash commodity" refers to the underlying commodity, e.g. oil or soybeans. We assume sub-paragraph (d) is intended to deal with settlement by delivery of the underlying commodity. This is already covered by sub-paragraph (b).
   
   2. Insert “or” at the end of sub-paragraph (b).
   
   3. Replace “; or” at the end of sub-paragraph (c) with “; “.

| Regulation 7(1) | Replace “section 9(8)” in the first line with “sections 9(8) and 9(10)”.

| Regulation 8(1)(c) | Insert “material” before “change” in the first line.

| Regulation 8(1)(d) | Insert “material” before “disruption” in the first line.

| Regulation 8(4) | 1. Insert a new sub-paragraph (d) as follows:
   
   “(d) any contract or arrangement that is, or that belongs to a class of contracts or arrangements that is, prescribed not to be a co-operative arrangement.”
   
   2. Delete “or” at the end of sub-paragraph (b).
   
   3. Replace “; ” at the end of sub-paragraph (c) with “; or”.

| Regulation 9(1)(b) | 1. Delete “of the approved exchange” in the first and second lines of sub-paragraph (i).
   
   2. Delete “of the approved exchange” in the first line of sub-paragraph (ii).

| Regulation 10(1)(d) | 1. Insert “or reporting” after “clearing or settlement” in the fourth line.
   
   2. Insert “; ”, or a licensed trade repository or licensed foreign trade repository to which the transaction is reported” after “cleared or settled” in the last line of sub-paragraph (ii).

| Regulation 11(3) | Replace “immediately” with “promptly” in the first line.

| Regulation 13 | Delete entirely.

*Note: This would not in any event be relevant to organised markets that perform a price discovery but no trade execution function.*
| Regulation 14(2) | 1. Replace “immediately” with “promptly” in the first line.  
2. Re-number sub-paragraphs “(c)” and “(d)” as “(a)” and “(b)”.
| Regulation 17 | 1. Insert a new sub-paragraph (j) as follows:  
“(j) if required by applicable law, the arrangements for the timely reporting of trades concluded on any organised market operated by the approved exchange to a licensed trade repository or a licensed foreign trade repository;”  
2. Re-number the existing sub-paragraphs “(j)” to “(m)” as “(a)” to “(n)”.
| Regulation 18(6) | Replace “agreement” in the fourth line with “amendment”.
| Regulation 24(1)(d) | 1. Insert “or reporting” after the words “clearing or settlement” in the fifth line.  
2. Insert “, or a licensed trade repository or licensed foreign trade repository to which the transaction is reported” after “cleared or settled” at the end of sub-paragraph (ii).
| Regulation 27 | Delete entirely.  
Note: This would not in any event be relevant to organised markets that perform a price discovery but no trade execution function.
| Regulation 28(2) | Replace “immediately” with “promptly” in the first line.
| Regulation 29 | Delete “specified on the MAS website” in the first line.
| Regulation 30(c) | Insert “all” after “compliance with” in the first line.
| Paragraph 4.7(b) of the Consultation Paper mentions that it is aligning the requirements with regard to applications for cancellation. Please clarify. |
## Schedule II
### Comments on the Securities and Futures (Financial Benchmarks) Regulations 2017

<table>
<thead>
<tr>
<th>Provision</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation 10(c)</td>
<td>Replace “code on designated benchmark” with “Code on Designated Benchmark” in the seventh line.</td>
</tr>
<tr>
<td>Regulation 11(1)(c)</td>
<td>Insert “material” before “change” in the first line.</td>
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<tr>
<td>Regulation 12(1)</td>
<td>Replace “and” with “or” in the second line.</td>
</tr>
<tr>
<td>Regulation 12(1)(a)(i)</td>
<td>Insert “in the case of a corporation that is formed or incorporated in Singapore, or in accordance with the provisions of the applicable corporations act in the case of a corporation that is formed or incorporated outside Singapore” after “(Cap. 50)” in the last line.</td>
</tr>
</tbody>
</table>
| Regulation 12(1)(b) | 1. Delete “of the authorised benchmark administrator or exempt benchmark administrator as the case may be” in the first to third lines of sub-paragraph (i).  
2. Delete “of the authorised benchmark administrator or exempt benchmark administrator as the case may be” in the first to third lines of sub-paragraph (ii). |
| Regulation 12(1)(d) | Delete “, at such time or on such periodic basis as may be specified by the Authority” in the third to fifth lines. |
| Regulation 14(3) | 1. Replace “immediately” with “promptly” in the second line.  
2. Insert “be taken to” after “or intended to” in the fifth line. |
| Regulation 15(2) | Replace “immediately” with “promptly” in the second line. |
| Regulation 16 | 1. Replace “code of designated benchmark” with “code on designated benchmark” in the first line.  
2. Insert “;” at the end of sub-paragraphs (a) and (b).  
3. Insert “,” after “designated benchmark” in the fifth line of sub-paragraph (c). |
<table>
<thead>
<tr>
<th>Regulation</th>
<th>Section</th>
<th>Amendments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation 22(1)</td>
<td>1.</td>
<td>Insert “, which may have a material adverse impact on the operations or finances of the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be, and may materially and adversely affect its ability to comply with its obligations under the Act and regulations made thereunder;” at the end of sub-paragraphs (a) and (b).</td>
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<td>2.</td>
<td>Delete sub-paragraph (c).</td>
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<td></td>
<td>Note: As benchmark submitters will likely be carrying on other regulated activities, this requirement will likely trigger an avalanche of notifications which will serve no useful purpose and result in prohibitive cost and expense being incurred by a submitter. At most, if MAS thinks it necessary to impose a statutory notification obligation, this should be limited to notification of changes that may materially and adversely affect the ability of a benchmark submitter to comply with its obligations under the Act and regulations made thereunder.</td>
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<tr>
<td>Regulation 23</td>
<td></td>
<td>We submit that this should be dealt with in the Code on Designated Benchmark. This will allow flexibility and ensure that the requirements are tailored to the specific designated benchmark. Sections 123O(6) and (7) mandates compliance with the Code by a benchmark submitter and Section 123O(9) makes non-compliance with the Code an offence.</td>
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<tr>
<td>Regulation 25</td>
<td></td>
<td>We submit that this should be dealt with in the Code on Designated Benchmark. This will allow flexibility and ensure that the requirements are tailored to the specific designated benchmark. Sections 123O(6) and (7) mandates compliance with the Code by a benchmark submitter and Section 123O(9) makes non-compliance with the Code an offence.</td>
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<tr>
<td>Regulation 26(2)</td>
<td></td>
<td>Insert “application referred to in paragraph (1)” after “in relation to the” in the sixth line.</td>
</tr>
<tr>
<td>Regulation 28(c)</td>
<td>1.</td>
<td>Insert “all” before “written policies” in the third line.</td>
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<td></td>
<td>2.</td>
<td>Delete ”)” after “as the case may be” in the fifth line.</td>
</tr>
<tr>
<td>Regulation 28(g)(i)</td>
<td></td>
<td>Replace “perating” with “operating” in the fifth line.</td>
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<tr>
<td>Regulation 26 in Part VI</td>
<td></td>
<td>Re-number Regulation “26” as Regulation “29”.</td>
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<tr>
<td>Regulation 26(1) in Part VI</td>
<td>Insert “is an authorised benchmark administrator or an exempt benchmark administrator, as the case may be” after “corporation which” in the second line.</td>
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| Regulation 26(2) in Part VI | 1. Insert “is an authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be” after “corporation which” in the first and second lines.  
2. Replace “,” between “22(2)” and “25” with “or” in the second line. |
| Regulation 26(3) in Part VI | Replace “does” with “shall” in the first line. |
| Part II | Include analogous provisions to Regulations 21 and 24 for exempt benchmark administrators. |
| Contents page: Regulation 18 | 1. Delete “chairman,“.  
2. Replace “key persons” with “director”. |
| | 1. As submitted under our “General comments”, where the benchmark is a Traded Benchmark with a fallback mechanism that uses a Surveyed Benchmark methodology, to clarify the application of the SF(FB)R to the fallback survey methodology.  
2. As submitted under our “General comments”, to clarify the application of the requirements to a benchmark administrator that performs the functions of a calculating agent only. |