

# Securities and Futures Act

## Section 196 Market Conduct

COE  
Section (14)

## MARKET CONDUCT

### *Division 1 — Prohibited Conduct — Securities*

#### **Application of this Division**

**196.** This Division shall apply to —

- (a) acts occurring within Singapore in relation to —
  - (i) securities of any corporation, whether formed or carrying on business in Singapore or elsewhere;
  - (ia) securities of any business trust; or
  - (ii) securities listed for quotation or quoted on a securities market in Singapore or elsewhere; and
- (b) acts occurring outside Singapore, in relation to —
  - (i) securities of a corporation that is formed or carrying on business in Singapore;
  - (ia) securities of a business trust, the trustee of which is formed in Singapore or carries on business on behalf of the business trust in Singapore; or
  - (ii) securities listed for quotation or quoted on a securities market in Singapore.

[1/2005]

[Malaysia SIA, s. 88C]

#### **Interpretation of this Division**

**196A.** In this Division —

"debenture" has the same meaning as in section 2 and, in relation to a business trust, means any debenture issued by the trustee of the business trust in its capacity as trustee of the business trust;  
"securities" —

(a) in relation to a corporation, for the purposes of sections 196 (a) (i) and (b) (i), 198, 202 and 203, means —

- (i) debentures, stocks or shares issued or proposed to be issued by a corporation;
- (ii) any right, option or derivative in respect of any such debentures, stocks or shares;

(iii) any right under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in —

(A) the value or price of any such debentures, stocks or shares;

(B) the value or price of any group of any such debentures, stocks or shares; or

(C) an index of any such debentures, stocks or shares; or

(iv) such other product or class of products as the Authority may prescribe, but does not include —

(AA) futures contracts;

(BB) bills of exchange;

(CC) promissory notes;

(DD) certificates of deposit issued by a bank or finance company; or

(EE) such other product or class of products as the Authority may prescribe as not being securities;

(b) in relation to a business trust, for the purposes of sections 196 (a) (ia) and (b) (ia), 198, 202 and 203, means —

(i) units in a business trust;

(ii) derivatives of units in a business trust;

(iii) debentures of a business trust;

(iv) any right, option or derivative in respect of any such debentures; or

(v) such other product or class of products as the Authority may prescribe, but does not include —

(A) futures contracts;

(B) bills of exchange;

(C) promissory notes; or

(D) such other product or class of products as the Authority may prescribe as not being securities; and

(c) in any other case, has the same meaning as in section 2.

[1/2005]