

**Notice No:** COMP-2009-002

**Issue Date:** January 7, 2009

**Subject:** Accredited, Professional and Expert Investors in Singapore permitted to trade DGCX Products

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Notice to all Members,

**Subject:**

**Accredited, Professional and Expert Investors in Singapore permitted to trade DGCX products**

In pursuance of DGCX By-Laws, the Clearing Rules of DCCC and the Securities and Futures Act (SFA) of the Monetary Authority of Singapore (MAS), we hereby advise the following:

- With respect to investors domiciled in Singapore, DGCX is required to ensure that only orders from Professional Investors, Accredited Investors and Expert Investors (as defined in the SFA<sup>1</sup>), are placed on the Exchange's ATS.
- Members pursuing business in Singapore must take due care to implement measures to ensure that only Professional Investors, Accredited Investors and Expert Investors from this jurisdiction have trading access to the DGCX platform.

In the event that Members require assistance to determine if potential investors qualify for one of the three categories, Members may contact the Compliance Department at DGCX (+9714 361-1616; [compliance@dgcx.ae](mailto:compliance@dgcx.ae)) for further clarification.

**For Dubai Gold & Commodities Exchange**

**Tony Day**  
**Head of Compliance, Audit & Membership**

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<sup>1</sup> Professional Investors, Accredited Investors and Expert Investors are defined in Annexure A attached.

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## **Annexure A**

### **Professional Investors, Accredited Investors and Expert Investors defined**

#### **Professional Investors**

Professional Investors include:

- (a) a bank that is licensed under the Banking Act (Cap. 19);
- (b) a merchant bank that is approved as a financial institution under section 28 of the Monetary Authority of Singapore Act (Cap. 186);
- (c) a finance company that is licensed under the Finance Companies Act (Cap. 108);
- (d) a company or society registered under the Insurance Act (Cap. 142) as an insurer;
- (e) the Singapore Government;
- (f) a statutory body established under any Act in Singapore;
- (g) the Government of Singapore Investment Corporation Pte Ltd;
- (h) a pension fund;
- (i) a collective investment scheme, as defined under section 2(1) of the Securities and Futures Act (Cap. 289) ("SFA");
- (j) a holder of a capital markets services license under the SFA;
- (k) a member of DGCX, being a person who is exempted from the requirement to hold a capital markets services license to carry on business in trading in futures contracts under paragraph 3(a) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10) ("LCB Regulations");
- (l) a headquarters company or Finance and Treasury Centre which carries on a class of business involving fund management but only to the extent that the business in fund management has been approved as a qualifying service in relation to that headquarters company or Finance and Treasury Centre under section 43E(2)(a) or 43G(2)(a) of the Income Tax Act (Cap. 134), as the case may be;
- (m) a company in the Global Trader Programme of International Enterprise Singapore;
- (n) a financial adviser licensed under the Financial Advisers Act (Cap. 110) who uses DGCX's services solely for the purposes of trading for its own account;
- (o) a person exempted under paragraph 5(1)(d) of the Second Schedule to the LCB Regulations who has assets under management of not less than SGD 15 million; or
- (p) a hedge fund that has assets under management of not less than SGD 15 million.

#### **Accredited Investors**

(a) "accredited investor" means —

(i) an individual —

(A) whose net personal assets exceed in value SGD 2 million (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe in place of the first amount; or

(B) whose income in the preceding 12 months is not less than SGD 300,000 (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe in place of the first amount;

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- (ii) a corporation with net assets exceeding SGD 10 million in value (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe, in place of the first amount, as determined by —
- (A) the most recent audited balance-sheet of the corporation; or
  - (B) where the corporation is not required to prepare audited accounts regularly, a balance-sheet of the corporation certified by the corporation as giving a true and fair view of the state of affairs of the corporation as of the date of the balance-sheet, which date shall be within the preceding 12 months;
- (iii) the trustee of such trust as the Authority may prescribe, when acting in that capacity; or
- (iv) such other person as the Authority may prescribe;

### **Expert Investors**

Expert Investors, as defined in section 4A(1)(b) of the Securities and Futures Act (Cap. 289) ["SFA"], refer to "a person whose business involves the acquisition and disposal, or the holding, of any capital market products, whether as principal or agent", amongst others. As a guide, Expert Investors should be reasonably experienced in the trading of capital market products, and should be reasonably considered as possessing expertise in the trading of such products; therefore the following may be considered to fall within the definition of Expert Investors:

- a. a person who operates a business trading capital market products for its own profit and has a track record of operating such a business;
- b. an individual whose sole occupation, profession or livelihood, is to trade capital market products, and has a track record of trading capital market products;
- c. a trading representative who holds or has held a capital market services representative license.