

CONSULTATION PAPER

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

MAS

Monetary Authority of Singapore

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1 Preface

1.1 The Securities and Futures (Amendment) Act 2017 [“SF(A) Act”] was passed in Parliament on 9 January 2017 which gave effect to policy proposals aimed at ensuring that the capital markets regulatory framework in Singapore keeps pace with market developments and is aligned to international standards and best practices.

1.2 Given the wide-ranging amendments to the Securities and Futures Act (“SFA”), the Monetary Authority of Singapore (“MAS”) will consult on draft Regulations to support the implementation of the legislative amendments in two phases.

1.3 The proposed regulations set out in this consultation are –

- (a) New Securities and Futures (Markets) Regulations [“SF(M)R”];
- (b) New Securities and Futures (Financial Benchmarks) Regulations [“SF(FB)R”]; and
- (c) Amendments to the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 [“SF(OI)(CIS)R”] to implement changes under Part XIII of the SFA in relation to funds, including real estate investment trusts [“REITs”].

1.4 MAS invites comments from all financial institutions and other interested parties.

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.

1.5 Please submit written comments by 2 June 2017 via email to SFA_FAA_LegisConsult@mas.gov.sg. We would appreciate that you use this [template](#) for your submission to ease our collation efforts.

2 Defined Terms

AE	Approved exchange
AI	Accredited investors as defined under section 4A of the SFA
CISNet	Online notification system set out under https://masnetsvc2.mas.gov.sg/cisnet that allows fund managers to notify MAS of their intention to offer Restricted Funds to AI and other investors under section 305 of the SFA and the Sixth Schedule to the SF(OI)(CIS)R
II	Institutional investors as defined under section 4A of the SFA
MAS	Monetary Authority of Singapore
OTC	Over-the-counter
Physical Asset Fund	A collective investment scheme that does not invest in “capital markets products” as defined under section 2 of the SFA as amended by paragraph 3(f) of the Securities and Futures (Amendment) Act 2016
REIT	Real estate investment trust
Restricted Fund	A fund or REIT that is exempted under section 305 of the SFA from authorisation or recognition and prospectus registration requirements
RMO	Recognised market operator
SIBOR	Singapore Interbank Offered Rate
SFA	Securities and Futures Act (Cap. 289)
SF(A) Act	Securities and Futures (Amendment) Act 2017
SF(FB)R	Securities and Futures (Financial Benchmarks) Regulations
SF(M)R	Securities and Futures (Markets) Regulations

SF(OI)(CIS)R	Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005
SGX	Singapore Exchange Limited
SOR	Singapore Swap Offer Rate

3 Introduction

3.1 The SF(A) Act was passed by Parliament on 9 January 2017. It provides MAS with legislative powers under the SFA to complete MAS' two-phase review to implement over-the-counter ("OTC") derivatives regulatory reforms. It also introduces amendments aimed at enhancing regulatory safeguards for retail investors, enhancing the credibility and transparency of the capital markets, and strengthening MAS' ability to take enforcement action against market misconduct.

3.2 To support the implementation of these wide-ranging amendments, amendments to subsidiary legislation and other legislative instruments have to be made to reflect key amendments such as:

- (a) Changes to product definitions in Part I of the SFA;
- (b) Repeal and re-enactment of Part II of the SFA to apply the markets regime to OTC derivatives;
- (c) Changes to Part IV of the SFA and the Second Schedule to the SFA to extend the capital markets services licensing regime to OTC derivatives;
- (d) Changes to other Parts of the SFA, as well as the Financial Advisers Act, arising from the key changes above.

3.3 MAS intends to operationalise the amendments to the SFA by 2018, and as part of this process, will consult the public on significant draft regulations in two phases. MAS will issue the second consultation paper on other draft regulations in May 2017.

3.4 Pursuant to the changes introduced in the SF(A) Act, MAS is seeking comments on the following draft regulations:

- (a) *New SF(M)R*
MAS will be repealing and reissuing the existing Securities and Futures (Markets) Regulations 2005 with the new SF(M)R, to operationalise Part II of the SFA which provides for the regulation of approved exchanges ("AE") and recognised market operators ("RMO").
- (b) *New SF(FB)R*
MAS will be issuing a new SF(FB)R to operationalise the new Part VIAA of the SFA, which provides for the regulation of administrators of, and submitters who contribute information required to compute, designated financial benchmarks.

(c) *Amendments to SF(OI)(CIS)R*

MAS will be amending the SF(OI)(CIS)R to operationalise changes to Part XIII of the SFA, as well as changes to widen the range of factors that may be taken into account when considering whether to recognise a foreign fund (a collective investment scheme), for offer to the public, and to refine certain regulatory provisions in relation to REITs.

3.5 The draft SF(M)R, SF(FB)R, and SF(OI)(CIS)R are set out in Annexes B, C and D, and key areas introduced in the following sections.

4 New Securities and Futures (Markets) Regulations

4.1 The new SF(M)R will apply the regulatory regime to operators of all organised markets, including operators of organised markets for the trading of OTC derivatives. The SF(M)R sets out requirements on the admission of corporations operating organised markets as AEs and RMOs, as well as the ongoing requirements on AEs and RMOs. Key issues are discussed below.

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

Minimum Admission Requirements

4.2 Organised markets are centralised facilities that bring together multiple market participants and are important for the continuing functioning of the capital markets. Entities intending to operate organised markets in Singapore should thus demonstrate financial commitment and strength to provide confidence to market participants of their stability, as well as the ability to operate a fair, orderly and transparent organised market on an ongoing basis.

4.3 To ensure a base level of financial commitment and resources, applicants seeking to be admitted as an AE are currently required to maintain a minimum base capital of \$10 million. For RMOs, a lower base capital requirement of \$500,000 is applicable. These requirements are currently imposed administratively through conditions on approval or recognition as an AE or RMO. We intend to set out these requirements in the Regulations to explicitly inform potential applicants of their admission requirements.

4.4 We also take the opportunity to provide more transparency on how potential applicants to be AEs and RMOs are assessed. The key criteria would be the applicant's demonstration of its ability to meet its statutory obligations as an AE or RMO. MAS would also take into consideration whether an application has –

- (a) an established track record in the business or in a related business for at least the past five years;
- (b) key officers and directors with sufficient experience relevant to the operation of the business; and
- (c) a statement of how the corporation intends to comply with its statutory obligations, e.g. presence of adequate and appropriate risk management practices and policies, sufficiency of financial, human, and system resources.

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

Execution in the Customer's Interests

4.5 To support better outcomes for customers and more clearly define aspects of market efficiency, MAS is proposing to formalise requirements for a market operator to have in place measures to ensure that its handling and execution of bids and offers is conducted on a fair and objective basis, and takes into account the interests of market participants. Handling and execution of bids and offers is a basic function of the operation of an organised market, and such measures are part and parcel of ensuring the fairness and orderliness of the organised market, for example, through the matching of best bids and offers in accordance with price-time priority.

4.6 MAS also proposes to require a market operator to have in place measures to facilitate its members' execution of customer orders in the customer's interest. Such facilitation could be in the form of disclosure of post-trade data on transactions executed on its organised market, allowing intermediaries and customers to assess matching outcomes.

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.

Miscellaneous amendments

4.7 MAS is also fine-tuning certain regulations for alignment with corresponding regulations in the Securities and Futures (Clearing Facilities) Regulations 2012:

- (a) Defining the circumstances in which an RMO may disclose user information or transaction information, where the obligation to maintain confidentiality under section 39 of the SFA does not apply.
- (b) Requiring an AE or RMO which intends to cancel its approval or recognition as an AE or RMO to submit an application to MAS no later than three months before the expected date of cancellation.

Application of Part II to OTC Derivatives

4.8 With the application of the new Part II of the SFA to organised markets for the trading of OTC derivatives, MAS reiterates that it is not our intent to regulate as AEs or RMOs, entities that facilitate the transactions of OTC derivatives in a way that is more akin to market intermediation as opposed to that of operating an organised market.

4.9 MAS had previously indicated in our Response to Feedback Received on Proposed Amendments to the Securities and Futures Act¹ that it would provide further guidance on when an operator of a facility in relation to OTC derivatives would be considered to be operating an organised market. In doing so, MAS would consider how buyers and sellers are brought together, and noted that much of such activities would be more akin to providing broking activities rather than operating a market. This was particularly the case for many “voice-assisted” facilities.

4.10 MAS recognises that some of these facilities may establish an electronic utility or “screen” that aids their “voice-assisted” functions. There are also “voice-assisted” facilities which broker transactions for customers who intend to trade derivatives which are already available for trading on an established organised market operated by an AE or an RMO, i.e. a traditional exchange. On the other hand, there are facilities which operate as the only available platform for the trading of certain OTC derivatives.

4.11 In consideration of the above, MAS is of the view that facilities which engage with customers to broke “block futures” or “negotiated large trades” for the purposes of registering such trades on an established organised market operated by an AE or RMO (whether foreign or local) are providing intermediation services in relation to exchange-traded derivatives. Such facilities would not constitute organised markets for the trading of OTC derivatives. This would be the case regardless of whether the entity conducts the broking activities through “voice-assisted” or electronic means. MAS considers that it may therefore be appropriate to exempt 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.

4.12 Conversely, an entity that operates a facility to match trades in respect of products that are not exchange-traded derivatives contracts (i.e. products already listed for trading on a traditional exchange) would be operating an organised market falling within the scope of Part II of the SFA and would thus require approval or recognition as an AE or RMO. This would be the case regardless of whether the facility operates through “voice-assisted” or electronic means. Examples of such products could include currency non-deliverable forwards which are not listed on any AE or RMO.

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.

¹ Published 7 November 2016

Transitional arrangements

4.13 MAS notes that many entities engaged in facilitating the trading of OTC derivatives are not currently subject to regulation. MAS will provide a transition period for operators of such facilities to assess whether they would be caught as operating organised markets under the amended SFA, and to make the necessary arrangements to achieve compliance with the relevant provisions.

4.14 An entity that is in operation at point of the commencement of the SF(A) Act (time “T”) will have three months to assess whether it carries out the operation of an organised market (i.e. T+3 months), and if so to notify MAS of its intention to apply for an AE or RMO status, as the case may be.

4.15 Having notified MAS, the entity will be given another nine months to submit its application to MAS (i.e. within T+12 months). In the interim, it may continue to operate its business as usual, until MAS approves or rejects its application.

4.16 An entity whose activities constitutes the operation of an organised market but does not notify MAS of its intention to apply for an AE or RMO status by T+3 months, or does not submit a completed application by the end of T+12 months, will have to cease operations by T+12 months.

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

5 New Securities and Futures (Financial Benchmarks) Regulations

5.1 In implementing the regulatory regime for financial benchmarks, as indicated in MAS' Response to Feedback received on the Proposed Amendments to the Securities and Futures Act on Regulation of Financial Benchmarks published on 7 November 2016, MAS intends to designate SIBOR and SOR as designated benchmarks. MAS will be issuing the SF(FB)R to operationalise the regime. The proposed regulations set out admission, ongoing and other requirements which administrators of and submitters to designated benchmarks would be subject to. Key regulations are discussed below.

Obligation on benchmark administrators to establish an Oversight Committee

5.2 Every benchmark administrator will be required to establish an Oversight Committee, to be responsible for the maintenance and governance of the designated benchmark.

5.3 The responsibilities of the Oversight Committee will include reviewing the adequacy of –

- (a) the design of the designated benchmark;
- (b) the Code on designated benchmark which is developed by the benchmark administrator to set out the standards to be adhered to by submitters of the designated benchmark;
- (c) the arrangements in place to govern the administration of the designated benchmark;
- (d) the measures put in place to maintain confidentiality of all information or expressions of opinion used for the purpose of determining the designated benchmark; and
- (e) the external and internal audit function of the benchmark administrator in relation to administering a designated benchmark, in particular the scope and results of audits as well as the independence and objectivity of the external auditors.

5.4 To ensure sufficient independence in the Oversight Committee, MAS proposes to require at least one-third of the membership of the Oversight Committee be comprised of 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.

5.5 A benchmark administrator would be required to obtain MAS' approval prior to appointing a person to the Oversight Committee.

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| <p>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.</p> <p>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.</p> |
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Requirement for an independent external audit of benchmark administrators and benchmark submitters

5.6 MAS considers it important for an independent external party to audit the benchmark submission process of benchmark submitters. This takes into account the scale of deficiencies in governance and risk management observed in MAS' review of the benchmarks submission processes of banks in 2012/2013.

5.7 Similarly, benchmark administrators will also be required to engage an independent external auditor to review its benchmark administration process. Such a review is expected to encompass the adherence by the benchmark administrator or submitter to its policies and procedures for its benchmark administration or submission process, as the case may be, and to the relevant laws and regulations.

5.8 For both benchmark administrators and submitters, MAS intends that the baseline frequency for such an audit would be annual. In the case of a benchmark administrator, the external auditor to be appointed must be approved by the Oversight Committee of the benchmark administrator.

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| <p>Question 8. MAS seeks comments on the requirement for an independent external audit of benchmark administrators and benchmark submitters.</p> |
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Transition arrangements

5.9 To avoid disruption to the activities of existing benchmark administrators and benchmark submitters in relation to the SIBOR and SOR benchmarks, MAS will provide for a period of up to 6 months from the commencement of the regulatory regime for such existing benchmark administrators and submitters to submit applications to MAS. These entities will be allowed to continue their operations until their applications have been approved by MAS.

5.10 Benchmark submitters who are already subject to regulation by MAS, such as banks, will be exempt benchmark submitters. Exempt benchmark submitters will have up

to 6 months to inform MAS that they are carrying on a business or activity of providing information in relation to a designated benchmark.

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

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

6 Amendments to Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005

6.1 MAS is seeking comments on the draft amendments to the SF(OI)(CIS)R. These amendments include –

- (a) the additional factors that MAS may take into account when recognising a foreign fund for offer to retail investors; and
- (b) the conditions for exempting Physical Asset Funds that are offered to AIs from fund authorisation and prospectus registration requirements.

6.2 In addition, MAS is also consulting on other proposed changes pertaining to collective investment schemes (that did not arise from the SF(A) Act), in order to improve operational efficiency. These amendments are, namely, to –

- (a) allow REITs to publish pro forma financial information; and
- (b) 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.

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

Additional factors for recognising foreign funds

6.3 MAS had previously consulted on the proposal to provide MAS with the flexibility to take into account factors, other than the laws and practices under which a foreign fund is governed, when considering whether to recognise the foreign fund for offer to retail investors under section 287 of the SFA². As set out in our response to the consultation, generally respondents did not object to this proposal³. The additional factors that MAS is now proposing to have regard to, when considering whether to recognise a foreign fund, are namely:

² See paragraph 4.4 of MAS' policy consultation paper dated 11 February 2015 (Revised on 16 February 2015) -

<http://www.mas.gov.sg/~media/MAS/News%20and%20Publications/Consultation%20Papers/Consultation%20Paper%20on%20Proposed%20Amendments%20to%20the%20SFA%20Revised%20on%2016%20Feb%202015.pdf>

³ See paragraph 4.3 of MAS' Response to Feedback Received on Proposed Amendments to the SFA dated 7 November 2016 -

<http://www.mas.gov.sg/~media/MAS/News%20and%20Publications/Consultation%20Papers/Consultation%20Response%20Proposed%20Amendments%20to%20SFA.pdf> at paragraph

- (a) the investment policy of the fund;
- (b) the fund's constituent documents;
- (c) the oversight provided by the trustee or an equivalent oversight body;
and
- (d) whether these factors set out in (a) – (c), either taken individually or collectively, would accord to investors protection at least equivalent to that provided under authorised schemes.

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.

Physical Assets Funds offered to AIs

6.4 MAS had previously consulted on the proposed class exemption from licencing requirements for managers of Physical Assets Funds that are only offered to AIs or IIs⁴, and is now consulting on the conditions that Physical Assets Funds must satisfy before being exempted from fund authorisation and prospectus registration requirements under Section 305 of the SFA.

6.5 MAS proposes to require Physical Assets Funds offered to AIs to lodge an information memorandum⁵, furnish certain basic fund information to MAS, and to lodge an annual declaration on MAS' CISNet portal. These requirements are the same as the present requirements imposed for Restricted Funds, including the lodgement fees payable. Physical Assets Funds who comply with the conditions would not be required to be entered into the list of Restricted Funds maintained by MAS on CISNet.

6.6 With regard to the information memorandum lodged, MAS further proposes to require a Physical Assets Fund to disclose in its information memorandum that–

- (a) the Physical Assets Fund is exempted and has not been entered into a list of Restricted Schemes maintained by MAS; and
- (b) MAS has not approved the Physical Assets Fund or its manager in respect of the management of the fund.

⁴ See MAS' policy consultation paper dated 11 February 2015, paragraph 2.5.9, and MAS' response to feedback received on the consultation dated 7 November 2016, paragraphs 2.5.22 and 2.5.23.

⁵ The information memorandum would be subject to the disclosure requirements set out in Regulation 1(2) of the Sixth Schedule to the SF(OI)(CIS)R.

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.

Pro forma financial information of REITs

6.7 Under Regulation 25(7) of and Paragraph 51 of the Third Schedule to the SF(OI)(CIS)R, a fund advertisement, publication and prospectus must not contain any information on past performance based on simulated results of a hypothetical fund.

6.8 MAS has received requests for clarifications on whether the above restriction applies to pro forma financial information prepared by REITs, for the purpose of disclosure in their initial public offering prospectuses, as required under SGX's listing rules⁶.

6.9 The restriction on disclosure of past performance based on simulated results of a hypothetical fund is to disallow the back-testing of simulated data, and not intended to exclude pro forma past financial information⁷. To provide greater clarity to market practitioners, MAS will amend Regulation 25(7) of the SF(OI)(CIS)R and Paragraph 51 of the Third Schedule to the SF(OI)(CIS)R to make it clear that the restriction does not apply to the disclosure of pro forma financial information by a REIT.

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.

⁶ Under SGX Listing Rule 609(a), when a REIT is listed, pro forma group accounts must be presented in addition to the annual combined audited accounts, where applicable. The pro forma financial information must provide investors with information about the impact of the proposed group structure by illustrating how that group structure might have affected the financial information presented in the prospectus, had the group structure been put in place at the commencement of the period being reported on or, in the case of a pro forma balance sheet, at the date reported on.

Under Rule 609(b), the pro forma income statement should be presented for the latest 3 financial years and for the most recent interim period (if applicable) as if the restructured group had been in existence at the beginning of the period reported on. The pro forma statement of financial position should be presented as at the date to which the most recent pro forma income statement has been made up.

⁷ See Paragraph 9.3 of MAS' response dated 8 April 2011 to feedback received on the policy consultation dated 17 May 2010 on proposed amendments to the Code on Collective Investment Schemes. URL: <http://www.mas.gov.sg/News-and-Publications/Consultation-Paper/2010/Consultation-Paper-on-Amendments-to-the-Code-on-Collective-Investment-Schemes.aspx>

Restricted Funds managed by licensed REIT managers

6.10 Under Paragraphs 3(1)(a)(i) of the Sixth Schedule to the SF(OI)(CIS)R, a manager of a Restricted Fund must be licensed or regulated to carry out fund management activities in its principal place of business.

6.11 A manager of a REIT would not legally meet this requirement as a REIT management licence is distinct from a fund management licence under the SFA.

6.12 The policy intent behind the requirement for a regulated manager is to ensure that managers of Restricted Funds are competent and properly regulated. A licensed REIT manager and a licensed fund manager are subject to similar competency and regulatory requirements under the SFA. Therefore, MAS has been allowing on a case-by-case application basis, 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. MAS proposes to amend the SF(OI)(CIS)R to reflect this policy intent.

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.

Annex A

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Annex B

Draft Securities and Futures (Markets) Regulations

[DISCLAIMER: THIS VERSION OF THE AMENDMENTS IS IN DRAFT FORM AND SUBJECT TO CHANGE. IT IS ALSO SUBJECT TO REVIEW BY THE ATTORNEY-GENERAL'S CHAMBERS.]

[\[Link to draft Securities and Futures \(Markets\) Regulations\]](#)

Annex C

Draft Securities and Futures (Financial Benchmarks) Regulations

[DISCLAIMER: THIS VERSION OF THE AMENDMENTS IS IN DRAFT FORM AND SUBJECT TO CHANGE. IT IS ALSO SUBJECT TO REVIEW BY THE ATTORNEY-GENERAL'S CHAMBERS.]

[[Link to draft Securities and Futures \(Financial Benchmarks\) Regulations](#)]

Annex D

**Draft Amendments to the Securities and Futures (Offers of Investments)
(Collective Investment Schemes) Regulations 2005**

[DISCLAIMER: THIS VERSION OF THE AMENDMENTS IS IN DRAFT FORM AND SUBJECT TO
CHANGE. IT IS ALSO SUBJECT TO REVIEW BY THE ATTORNEY-GENERAL'S CHAMBERS.]

[\[Link to draft Securities and Futures \(Offers of Investments\) \(Collective Investment Schemes\)
Regulations 2005\]](#)



SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES (MARKETS) REGULATIONS
2017

ARRANGEMENT OF REGULATIONS

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Regulation

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2. Definitions
3. Forms
4. Fees
5. Keeping of books and other information

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6. Minimum requirements for approval or recognition
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30. Criteria for determining whether officer failed to discharge duties or functions
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PART VI REVOCATION

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FIRST SCHEDULE Fees

In exercise of the powers conferred by sections 7(6), 8(3), 9(7), 10(1), 11(1), 12(2), 16(1) and (4), 18(2), 19, 21(2), 23(1) and (2), 27(10), 28(4), (9) and (11), 29(1) and (8), 34(1) and (2), 36(2), 37, 39(2), 41(1) and (8), 43(3), 44, 44AAG(1), 44AAJ(2), 186(10) and (11) and 341 of the Securities and Futures Act, the Monetary Authority of Singapore hereby makes the following Regulations:

PART I PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Securities and Futures (Markets) Regulations 2017 and shall come into operation on _____.

Definitions

2.—(1) In these Regulations, unless the context otherwise requires —

“annual report” means the audited profit and loss accounts, audited balance-sheet and auditors’ report, by whatever name called, of an approved exchange or a recognised market operator;

“position”, in relation to a derivatives contract, means a derivatives contract which is outstanding and which has not been liquidated —

- (a) by an off-setting transaction;
- (b) by delivery of the commodity underlying the derivatives contract;

- (c) through settlement of the derivatives contract in accordance with the business rules or practices of an organised market, as the case may be; or
- (d) by substituting the derivatives contract for a cash commodity;

Forms

3.—(1) The forms to be used for the purposes of Part II of the Act and these Regulations are those set out at the Authority's Internet website at <http://www.mas.gov.sg> (under "Regulations and Financial Stability", "Regulations, Guidance and Licensing", "Securities, Futures and Fund Management"), and any reference in these Regulations to a numbered form shall be construed as a reference to the current version of the form bearing the corresponding number which is displayed at that website.

(2) Any document required to be lodged with the Authority under any provision of Part II of the Act or these Regulations shall be lodged in the relevant form and in the manner specified in the website referred to in paragraph (1), or in such other manner as the Authority may specify from time to time.

(3) All forms used for the purposes of Part II of the Act and these Regulations shall be completed in the English language and in accordance with such directions as may be specified in the form or by the Authority.

(4) The Authority may refuse to accept any form if —

- (a) it is not completed in accordance with the manner specified by the Authority; or
- (b) it is not accompanied by the relevant fee referred to in regulation 4.

(5) Where strict compliance with any form is not possible, the Authority may allow for the necessary modifications to be made

to that form, or for the requirements of that form to be complied with in such other manner as the Authority thinks fit.

Fees

4.—(1) The fees specified in the First Schedule shall be payable to the Authority for the purposes specified therein and, subject to section 11(2) of the Act, shall not be refundable.

(2) Payment of fees may be made through such electronic funds transfer system as the Authority may designate from time to time, whereby payment may be effected by directing the transfer of funds electronically from the bank account of the payer to a bank account designated by the Authority.

Keeping of books and other information

5. Every approved exchange or recognised market operator shall ensure that all relevant books and other information as may be required by the Authority for the purposes of the Act are kept for a minimum of 5 years.

PART II

APPROVAL AND RECOGNITION

Minimum requirements for approval or recognition

6.—(1) For the purposes of section 9(7) of the Act, the Authority shall not approve an applicant as an approved exchange, unless the applicant has demonstrated to the Authority's satisfaction that

—

- (a) the applicant is able to meet the obligations of, and comply with the requirements imposed on, an approved exchange under the Act; and
- (b) the applicant is able to maintain a minimum base capital of at least \$10,000,000.

(2) For the purposes of section 9(7) of the Act, the Authority shall not recognise an applicant as a recognised market operator, unless the applicant has demonstrated to the Authority's satisfaction that —

- (a) the applicant is able to meet the obligations of, and comply with the requirements imposed on, a recognised market operator under the Act; and
- (b) if the applicant is a Singapore corporation, the applicant is able to maintain a minimum base capital of at least \$500,000.

(3) In this regulation, “base capital”, in relation to an applicant, means the amount remaining after deducting any interim loss in the latest accounts of the applicant, and any dividend that has been declared since the latest audited accounts of the applicant, from the sum of the following items:

- (a) the paid-up ordinary share capital of the applicant in the latest accounts of the applicant;
- (b) the paid-up irredeemable and non-cumulative preference share capital of the applicant in the latest accounts of the applicant; and
- (c) any unappropriated profit or loss in the latest audited accounts of the applicant.

Criteria for deciding whether an applicant should be approved as an approved exchange or recognised as a recognised market operator

7.—(1) Without prejudice to section 9(8) of the Act and for the purposes of section 10(1)(a) of the Act, the Authority may approve a Singapore corporation as an approved exchange under section 9(1)(a) of the Act if —

- (a) the Authority is satisfied that a disruption in the operations of an organised market to be operated by the corporation could —
 - (i) trigger, cause or transmit further systemic disruptions to the capital markets or financial system of Singapore; or
 - (ii) affect public confidence in the capital markets, financial institutions or financial system of Singapore; or
- (b) in any other case, the Authority is satisfied that the corporation, having applied to be an approved exchange under section 9(1)(a) of the Act, is able to comply with the obligations of or requirements imposed on approved exchanges under the Act.

(2) Without prejudice to sections 9(8) and 9(10) of the Act and for the purposes of section 10(1)(a) of the Act, the Authority may recognise a Singapore corporation as a recognised market operator under section 9(1)(b) of the Act only if both subparagraphs (a) and (b) of paragraph (1) do not apply.

(3) The Authority may have regard to the following matters in determining whether the criteria referred to in paragraph (1)(a) have been satisfied:

- (a) the size and structure, or proposed size and structure, of the organised market to be operated by the corporation;
- (b) the nature of the services provided, or to be provided, by the organised market to be operated by the corporation;
- (c) the nature of the securities, units in collective investment schemes or derivatives contracts traded, or

to be traded, on the organised market to be operated by the corporation;

- (d) the nature of the investors or participants, or proposed investors or participants, who may use or have an interest in the organised market to be operated by the corporation;
- (e) whether the corporation is regulated by the Authority under the Act or any other written law;
- (f) the persons who may be affected in the event that the corporation, or the organised market to be operated by the corporation, runs into difficulties;
- (g) the interests of the public; and
- (h) any other circumstances that the Authority may consider relevant.

PART III

REGULATION OF APPROVED EXCHANGES

Division 1 — Obligations and matters relating to Approved Exchanges

Obligation to notify Authority of certain matters

8.—(1) For the purposes of section 16(1)(g)(i) and 16(4) of the Act, an approved exchange shall, as soon as practicable after the occurrence of any of the following circumstances, notify the Authority of such circumstance:

- (a) any civil or criminal legal proceeding instituted against the approved exchange, whether in Singapore or elsewhere;
- (b) any disciplinary action taken against the approved exchange by any regulatory authority, whether in Singapore or elsewhere, other than the Authority;

- (c) any change to the regulatory requirements imposed on the approved exchange by any regulatory authority, whether in Singapore or elsewhere, other than the Authority;
- (d) any disruption of, delay in, or suspension or termination of any trading procedure or trading practice of the approved exchange including those resulting from any system failure, but no later than an hour after the discovery of the occurrence of the incident.

(2) Where a circumstance referred to in paragraph (1)(a), (b) or (d) has occurred, the approved exchange shall, in addition to the notice required under paragraph (1), within 14 days of the occurrence of the circumstance or such longer period as the Authority may permit, submit a report to the Authority of the circumstances relating to the occurrence, the remedial actions taken at the time of the occurrence, and the subsequent follow-up actions that the approved exchange has taken or intends to take.

(3) An approved exchange shall, within a reasonable period of time prior to entering into negotiations to establish a trading linkage, clearing arrangement or co-operative arrangement with any person establishing or operating any other organised market, clearing facility or trade repository), give the Authority notice of such intent to enter into negotiations.

(4) In paragraph (3), “co-operative arrangement” shall not include —

- (a) any joint development of products and services;
- (b) any joint marketing efforts between the approved exchange and the person referred to in that paragraph in promoting the services of any organised market, clearing facility or trade repository established or operated by the approved exchange or the person ; or

- (c) any memoranda of understanding for the exchange of information.

Obligation to submit periodic reports

9.—(1) For the purposes of section 19 of the Act, an approved exchange shall submit to the Authority —

- (a) within 3 months after the end of its financial year or such longer period as the Authority may permit, a copy of its —
 - (i) annual report and directors' report prepared in accordance with the provisions of the Companies Act (Cap. 50); and
 - (ii) auditors' long form report of the approved exchange;
- (b) within 45 days after the end of each of the first 3 quarters of its financial year or such longer period as the Authority may permit, a copy of its —
 - (i) profit and loss accounts of the approved exchange for the preceding quarter; and
 - (ii) balance-sheet of the approved exchange for the preceding quarter;
- (c) within 3 months after the end of its financial year or such longer period as the Authority may permit, a report on how the approved exchange has discharged its responsibilities under the Act during that financial year;
- (d) within 5 months after the end of its financial year or such longer period as the Authority may permit, a copy of the balance-sheet of the fidelity fund of the approved exchange prepared in accordance with section 180 of the Act;

- (e) where the approved exchange is operating —
 - (i) an organised market in respect of specified products —
 - (A) Form 6 within 10 business days from the end of each month;
 - (B) Form 7 within 10 business days from the end of each quarter of a year;
 - (ii) an organised market in respect of derivatives contracts other than specified products and any other market that the Authority has prescribed pursuant to paragraph 1(b) of the First Schedule to the Act, Form 8 within 10 business days from the end of each month;
 - (f) when required by the Authority, a report relating to the business of the approved exchange; and
 - (g) when required by the Authority, such other report as the Authority may require for the proper administration of the Act.
- (2) The auditors' long form report referred to in paragraph (1)(a)(ii) shall include the findings and recommendations of the auditors, if any, on —
- (a) the internal controls of the approved exchange; and
 - (b) the non-compliance by the approved exchange with —
 - (i) any provision of the Act;
 - (ii) any direction issued by the Authority under the Act;
 - or
 - (iii) any other relevant laws or regulations.

Exceptions to obligation to maintain confidentiality

10.—(1) For the purposes of section 21(2)(a) of the Act, section 21(1) of the Act shall not apply to the disclosure of user information by an approved exchange or its officers or employees for the following purposes or in the following circumstances:

- (a) the disclosure of user information is necessary for the making of a complaint or report under any written law for an offence alleged or suspected to have been committed under such written law;
- (b) the disclosure of user information is permitted for such purpose specified in writing by the user or, where the user is deceased, by his appointed personal representative;
- (c) the user information is disclosed to the approved holding company of the approved exchange;
- (d) the disclosure of user information is necessary for the execution by the approved exchange of a transaction in any securities, units in collective investment schemes or derivatives contracts or for the clearing or settlement of a transaction and such disclosure is made only to another user which is —
 - (i) a party to the transaction; or
 - (ii) a member of an approved exchange, an approved clearing house or a recognised clearing house through which that transaction is executed, cleared or settled;
- (e) where there are any disciplinary proceedings of the approved exchange —

- (i) the disclosure of the user information is necessary in those disciplinary proceedings, and reasonable steps are taken to ensure that user information disclosed to any third person is used strictly for the purpose for which the user information is disclosed; or
 - (ii) the disclosure of the user information is necessary for the publication, in any form or manner, of the disciplinary proceedings and the outcome thereof;
- (f) the user information disclosed is already in the public domain;
- (g) the disclosure of user information is made in connection with —
 - (i) the outsourcing or proposed outsourcing of any function of the approved exchange to a third party;
 - (ii) the engagement or potential engagement of a third party by the approved exchange to create, install or maintain systems of the approved exchange; or
 - (iii) the appointment or engagement of an auditor, a lawyer, a consultant or other professional by the approved exchange under a contract for service;
- (h) the disclosure of user information is necessary, or is required by the Public Trustee or the Commissioner of Estate Duties in the course of —
 - (i) an application for a grant of probate or letters of administration or the resealing thereof in relation to the estate of a deceased user; or

- (ii) the administration of the estate of a deceased user; or
- (i) the disclosure of user information is made in connection with —
 - (i) the bankruptcy of a user who is an individual; or
 - (ii) the winding up or receivership of a user which is a body corporate.
- (2) Where user information is disclosed under paragraph 1(g), the approved exchange shall —
 - (a) maintain, and make available for inspection by the Authority, a record of —
 - (i) the circumstances relating to the disclosure of user information; and
 - (ii) the particulars of —
 - (A) in the case of the disclosure of information under paragraph (1)(g)(i), the outsourcing or proposed outsourcing of the function of the approved exchange;
 - (B) in the case of the disclosure of information under paragraph (1)(g)(ii), the engagement or potential engagement of the third party; and
 - (C) in the case of the disclosure of information under paragraph (1)(g)(iii), the appointment or engagement of the auditor, lawyer, consultant or other professional;

- (b) disclose the user information only insofar as this is necessary for the relevant purpose; and
- (c) take reasonable steps to ensure that —
 - (i) the user information disclosed is used by the person to whom the disclosure is made strictly for the relevant purpose; and
 - (ii) the user information is not disclosed by that person to any other person, except with the consent of the approved exchange.

(3) Where disclosure to a body corporate of user information is permitted to be made for any purpose or in any circumstance under paragraph (1), the user information may be disclosed only to those officers of the body corporate to whom the disclosure is necessary for the relevant purpose.

(4) In paragraphs (2) and (3), “relevant purpose” means —

- (a) in the case of the disclosure of information under paragraph (1)(g)(i), facilitating the outsourcing or proposed outsourcing of the function of the approved exchange;
- (b) in the case of the disclosure of information under paragraph (1)(g)(ii), facilitating the engagement or potential engagement of the third party; and
- (c) in the case of the disclosure of information under paragraph (1)(g)(iii), facilitating the appointment or engagement of the auditor, lawyer, consultant or other professional.

Business continuity plan

11.—(1) An approved exchange shall maintain at all times a plan of action (referred to in this regulation as a business continuity plan) setting out the procedures and establishing the systems necessary to restore, in the event of any disruption to the operations of any organised market which it operates, fair, orderly and transparent operations of that organised market.

(2) An approved exchange shall review the procedures and systems referred to in paragraph (1) on such regular basis as may be specified in the business continuity plan.

(3) An approved exchange shall immediately notify the Authority of any activation of its business continuity plan and of any action taken or intended to be taken to restore fair, orderly and transparent operations of its organised market.

(4) An approved exchange shall, within 14 days or such longer period as may be permitted by the Authority, inform the Authority of any material change to the business continuity plan, and shall, if requested by the Authority, submit a copy of the new or amended plan to the Authority.

Provision of information

12. An approved exchange shall make available to any person upon his request, or publish in a manner that is accessible, information on —

- (a) all services of the approved exchange;
- (b) all products available on the organised markets operated by the approved exchange;
- (c) applicable fees and charges of the approved exchange;
- (d) applicable margin requirements; and
- (e) any arrangement that may be in place to compensate an investor who suffers pecuniary loss as a result of the

actions or insolvency of a participant of the approved exchange.

Fair and objective execution of orders

13.—(1) An approved exchange must, in relation to its handling or executing of any bids and offers for any derivatives contract, unit in a collective investment scheme or securities —

- (a) subject to paragraph (3), take all sufficient steps to obtain, when executing orders, the best possible result for their clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order;
- (b) have in place measures that facilitate its members' execution of their customers' orders in the customer's interest; or
- (c) have in place measures to ensure it handles and executes all orders on a fair and objective basis, taking into consideration the interest of participants.

(2) Notwithstanding paragraph (1), where there is a specific order instruction from any member or other market participant in relation to an order, the approved exchange must execute the order in accordance with the specific instruction.

(3) An approved exchange which operates an organised market that matches bids and offers in accordance with a set of pre-determined rules is treated as having satisfied the requirement in paragraph (1)(a).

Transmission and storage of user information

14.—(1) An approved exchange must take all reasonable measures to maintain the integrity and security of the transmission and storage of its user information.

(2) An approved exchange must immediately notify the Authority of —

- (c) any compromise of the integrity or security of the transmission or storage of any user information of the approved exchange; and
- (d) any action taken or intended to be taken to restore the integrity and security of the transmission and storage of that user information.

Requirements to register trading personnel

15. An approved exchange shall not allow any person —
- (a) in or around any pit or other place provided by the approved exchange for trading of derivatives contracts, to purchase or sell for another person or for his own account any derivatives contract; or
 - (b) to use any electronic system provided by the approved exchange through which trading in derivatives contracts is carried out —
 - (i) to purchase or sell any derivatives contract in his capacity as an employee or agent of a member of the approved exchange; or
 - (ii) to purchase or sell any derivatives contract, directly without any intermediary, for another person or for his own account,

unless that person is registered with the approved exchange and such registration has not expired or been suspended or revoked by the approved exchange.

Amounts to be paid out of fidelity funds

16.—(1) For the purposes of section 186(10) of the Act, the prescribed amount shall be \$2 million.

(2) For the purposes of section 186(11) of the Act, the prescribed amount shall be \$50,000.

Division 2 — Rules of approved exchanges

Content of rules of approved exchanges

17. For the purposes of section 23(1)(a) of the Act, an approved exchange shall make provision in its business rules or in its listing rules, as the case may be, to the satisfaction of the Authority, for —

- (a) the criteria that the approved exchange would use to determine whether a person should or should not be admitted as a member of the approved exchange;
- (b) the continuing requirements to be satisfied by each member of the approved exchange, including —
 - (i) requirements that prohibit or prevent the member from engaging in improper conduct when participating in any organised market operated by the approved exchange;
 - (ii) requirements on the financial condition of the member such as to provide reasonable assurance that all obligations arising out of the activities of the member in any organised market operated by the approved exchange will be met;
 - (iii) requirements that facilitate the monitoring by the approved exchange of the compliance of the member with the business rules of the approved exchange; and
 - (iv) requirements providing for the expulsion, suspension or disciplining of the member for conduct inconsistent with just and equitable

principles in the transaction of business, or for a contravention of the business rules of the approved exchange;

(c) the class or classes of securities, units in collective investment schemes or derivatives contracts that may be traded on any organised market operated by the approved exchange;

(d) the terms and conditions under which securities, units in collective investment schemes or securities-based derivatives contracts may be listed for quotation by the approved exchange;

(e) the terms and conditions relating to the calculation of the final settlement price, the daily price limits and the accumulation of positions of derivatives contracts traded on any organised market operated by the approved exchange;

(f) the manner in which trades in securities, units in collective investment schemes or derivatives contracts are effected on any organised market operated by the approved exchange;

(g) where the approved exchange operates a trading floor, fair and properly supervised floor trading practices;

(h) the measures to prevent and deal with manipulation, market rigging and artificial market conditions in any organised market operated by the approved exchange;

(i) the arrangements for the safe and efficient clearing and settlement of trades concluded on any organised market operated by the approved exchange;

(j) matters relating to risks in the operation of any organised market that the approved exchange operates;

(k) the establishment of any compensation arrangement, or any other scheme or system accepted by the Authority, which would compensate any customer who suffers pecuniary loss through the defalcation of a member, or any of its directors, officers, employees or representatives, in respect of any money or other property —

(i) that was entrusted to or received by a member, or any of its directors, officers, employees or representatives, for or on behalf of the customer; or

(ii) in respect of which the member was a trustee;

(l) the dissemination of announcements by companies listed on any organised market operated by the approved exchange through a single and central facility; and

(m) the carrying on of business of the approved exchange with due regard to the interests and protection of the investing public.

Amendment of business rules and listing rules

18.—(1) For the purposes of section 23(2) of the Act, an approved exchange which proposes to amend its business rules or listing rules shall, prior to making the amendment, notify the Authority of —

(a) the proposed amendment;

(b) the purpose of the proposed amendment; and

(c) the date on which the approved exchange proposes that the amendment be brought into force.

(2) The approved exchange shall, prior to notifying the Authority under paragraph (1)(a), (b) and (c), consult the participants of the approved exchange on the proposed amendment, unless the proposed amendment would have limited impact on those participants.

(3) Subject to paragraphs (4) and (6), the date referred to in paragraph (1)(c) shall be at least 21 days after the date on which the Authority receives the notification referred to in paragraph (1).

(4) The Authority may, on its own initiative or on the application of the approved exchange, by notice in writing to the approved exchange, allow an amendment to come into force less than 21 days after the date on which the Authority receives the notification referred to in paragraph (1).

(5) Subject to paragraph (6), the Authority may, within 21 days after receiving the notification referred to in paragraph (1), by notice in writing to the approved exchange, disallow, alter or supplement the whole or any part of the proposed amendment and, thereupon, such whole or part of the proposed amendment, as the case may be —

(a) where it is disallowed, shall not come into force; or

(b) where it is altered or supplemented, shall come into force, on such date as the Authority may specify in the notice in writing, as altered or supplemented.

(6) The Authority, may on its own initiative, by notice in writing to the approved exchange, vary the period specified in paragraph (5), and where that period is extended, the amendment under paragraph (1) or the altered or supplemented agreement under paragraph (5), as the case may be, shall not come into force before the expiry of the extended period.

Division 3 — Matters requiring approval of Authority

Application and criteria for approval to acquire substantial shareholding

19.—(1) Any person applying for approval under section 27(1) or (2) of the Act shall submit to the Authority a written application that sets out —

- (a) the name of the applicant;
 - (b) in the case where the applicant is a corporation —
 - (i) its place of incorporation;
 - (ii) its substantial shareholders;
 - (iii) its directors and chief executive officer; and
 - (iv) its principal business;
 - (c) in the case where the applicant is a natural person —
 - (i) his nationality;
 - (ii) his principal occupation; and
 - (iii) his directorships;
- (d) all the corporations in which the applicant has a substantial shareholding;
- (e) the percentage of shareholding and voting power that the applicant has in the approved exchange;
- (f) the percentage of shareholding and voting power the applicant is seeking to have in the approved exchange;
- (g) the reasons for making the application;

(h) the mode and structure, as appropriate, under which the increase in shareholding would be carried out;

(i) whether the applicant will seek representation on the board of directors of the approved exchange; and

(j) any other information that may facilitate the determination of the Authority as to whether the applicant is a fit and proper person for the purposes of paragraph (3)(a).

(2) Where an application under paragraph (1) has been made, the Authority may require the applicant to furnish the Authority with such information or documents as the Authority considers necessary in relation to the application, and the applicant shall comply with that requirement.

(3) The Authority may grant its approval under section 27(1) or (2) of the Act if the Authority is satisfied that —

(a) the applicant is a fit and proper person to be a substantial shareholder, or a 12% controller or 20% controller (as the case may be) of the approved exchange;

(b) having regard to the applicant's likely influence, the approved exchange will, or will continue to, conduct its business prudently and in compliance with the provisions of the Act; and

(c) it would not be contrary to the interests of the public to do so.

(4) In paragraph (3), “12% controller” and “20% controller” have the same meanings as in section 27(3) of the Act.

Application for approval of chairman, chief executive officer, director and key persons

20. Where an approved exchange has made an application under section 28(1) or (2) of the Act, the Authority may require the approved exchange to furnish the Authority with such information or documents as the Authority considers necessary in relation to the application, and the approved exchange must comply with that requirement.

Criteria for approval of chairman, chief executive officer, director and key persons

21. For the purposes of section 28(4) of the Act, the Authority may have regard to the following matters in determining whether to approve or refuse to approve the appointment of a person under section 28(1) or (2) of the Act:

- (a) whether the person is fit and proper to be so appointed;
- (b) whether the appointment of the person would be consistent with any applicable written law relating to —
 - (i) the qualifications for the position; or
 - (ii) the requirements for the composition of the board of directors or any committee of the approved exchange;
- (c) whether it would be contrary to the interests of the public to approve the appointment of the person.

PART IV

**REGULATION OF RECOGNISED MARKET
OPERATORS**

Obligation to notify Authority of certain matters

22. For the purposes of section 34(1)(c)(i) of the Act, a recognised market operator shall, as soon as practicable after the occurrence of any of the following circumstances, notify the Authority of such circumstance:

- (a) any civil or criminal legal proceeding instituted against the recognised market operator, whether in Singapore or elsewhere, which may have a material impact on the operations or finances of the recognised market operator;
- (b) any disciplinary action taken against the recognised market operator by any regulatory authority, whether in Singapore or elsewhere, other than the Authority;
- (c) any material change to the regulatory requirements imposed on the recognised market operator by any regulatory authority, whether in Singapore or elsewhere, other than the Authority;
- (d) any material disruption of, delay in, or suspension or termination of any trading procedure or trading practice of the recognised market operator, including those resulting from any system failure;
- (e) the recognised market operator becoming aware of any acquisition or disposal by any person of a substantial shareholding in the recognised market operator.

Obligation to submit periodic reports

23. For the purposes of section 37 of the Act, a recognised market operator shall submit to the Authority —

- (a) within 3 months after the end of its financial year or such longer period as the Authority may permit, a copy of its annual report;

- (b) when required by the Authority, a report relating to the business of the recognised market operator, and any dealing in capital markets products that the recognised market operator may conduct; and
- (c) when required by the Authority, such other report as the Authority may require for the proper administration of the Act.

Exceptions to obligation to maintain confidentiality

24.—(1) For the purposes of section 39(2)(a) of the Act, section 39(1) of the Act does not apply to the disclosure of user information by a recognised market operator or its officers or employees for the following purposes or in the following circumstances:

- (a) the disclosure of user information is necessary for the making of a complaint or report under any written law for an offence alleged or suspected to have been committed under such written law;
- (b) the disclosure of user information is permitted for such purpose specified in writing by the user or, where the user is deceased, by his appointed personal representative;
- (c) the user information is disclosed to a holding company of the recognised market operator, where that company is an approved holding company;
- (d) the disclosure of user information is necessary for the execution by the recognised market operator of a transaction in any securities, units in collective investment schemes or derivatives contracts or for the clearing or settlement of a transaction and such disclosure is made only to another user which is —

- (i) a party to the transaction; or
 - (ii) a member of an approved exchange, an approved clearing house or a recognised clearing house through which that transaction is executed, cleared or settled;
- (e) where there are any disciplinary proceedings of the recognised market operator —
- (i) the disclosure of the user information is necessary in those disciplinary proceedings, and reasonable steps are taken to ensure that user information disclosed to any third person is used strictly for the purpose for which the user information is disclosed; or
 - (ii) the disclosure of the user information is necessary for the publication, in any form or manner, of the disciplinary proceedings and the outcome thereof;
- (f) the user information disclosed is already in the public domain;
- (g) the disclosure of user information is made in connection with —
- (i) the outsourcing or proposed outsourcing of any function of the recognised market operator to a third party;
 - (ii) the engagement or potential engagement of a third party by the recognised market operator to create, install or maintain systems of the recognised market operator; or

(iii) the appointment or engagement of an auditor, a lawyer, a consultant or other professional by the recognised market operator under a contract for service;

(h) the disclosure of user information is necessary, or is required by the Public Trustee or the Commissioner of Estate Duties in the course of —

(i) an application for a grant of probate or letters of administration or the resealing thereof in relation to the estate of a deceased user; or

(ii) the administration of the estate of a deceased user; or

(i) the disclosure of user information is made in connection with —

(i) the bankruptcy of a user who is an individual; or

(ii) the winding up or receivership of a user which is a body corporate.

(2) Where user information is disclosed under paragraph 1(g), the recognised market operator must —

(a) maintain, and make available for inspection by the Authority, a record of —

(i) the circumstances relating to the disclosure of user information; and

(ii) the particulars of —

(A) in the case of the disclosure of user information under paragraph (1)(g)(i), the outsourcing or proposed outsourcing of the function of the recognised market operator;

- (B) in the case of the disclosure of user information under paragraph (1)(g)(ii), the engagement or potential engagement of the third party; and
 - (C) in the case of the disclosure of user information under paragraph (1)(g)(iii), the appointment or engagement of the auditor, lawyer, consultant or other professional;
- (b) disclose the user information only insofar as this is necessary for the relevant purpose; and
 - (c) take reasonable steps to ensure that —
 - (i) the user information disclosed is used by the person to whom the disclosure is made strictly for the relevant purpose; and
 - (ii) the user information is not disclosed by that person to any other person, except with the consent of the recognised market operator.

(3) Where disclosure to a body corporate of user information is permitted to be made for any purpose or in any circumstance under paragraph (1), the user information may be disclosed only to those officers of the body corporate to whom the disclosure is necessary for the relevant purpose.

(4) In paragraphs (2) and (3), “relevant purpose” means —

- (a) in the case of the disclosure of user information under paragraph (1)(g)(i), facilitating the outsourcing or proposed outsourcing of the function of the recognised market operator;
- (b) in the case of the disclosure of user information under paragraph (1)(g)(ii), facilitating the engagement or potential engagement of the third party; and

(c) in the case of the disclosure of user information under paragraph (1)(g)(iii), facilitating the appointment or engagement of the auditor, lawyer, consultant or other professional.

Business continuity plan

25.—(1) A recognised market operator shall maintain at all times a plan of action (referred to in this regulation as a business continuity plan) setting out the procedures and establishing the systems necessary to restore, in the event of any disruption to the operations of any organised market which it operates, fair, orderly and transparent operations of that organised market.

(2) A recognised market operator shall review the procedures and systems referred to in paragraph (1) on such regular basis as may be specified in the business continuity plan.

Provision of information

26. A recognised market operator shall make available to any person upon his request, or publish in a manner that is accessible , information on —

- (a) all services of the recognised market operator;
- (b) all products available on the organised markets that the recognised market operator operates;
- (c) applicable fees and charges of the recognised market operator;
- (d) applicable margin requirements; and
- (e) any arrangement that may be in place to compensate an investor who suffers pecuniary loss as a result of the actions or insolvency of a participant of the recognised market operator.

Fair and objective execution of orders

27.—(1) A recognised market operator must, in relation to its handling or executing of any bids and offers for any derivatives contract, unit in a collective investment scheme or securities—

- (a) subject to paragraph (3), take all sufficient steps to obtain, when executing orders, the best possible result for their clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order;
- (b) have in place measures that facilitate its members' execution of their customers' orders in the customer's interest; or
- (c) have in place measures to ensure it handles and executes all orders on a fair and objective basis, taking into consideration the interest of participants.

(2) Notwithstanding paragraph (1), where there is a specific order instruction from any member or other market participant in relation to the order, the recognised market operator must execute the order in accordance with the specific instruction.

(3) A recognised market operator which operates an organised market that matches bids and offers in accordance with a set of pre-determined rules is treated as having satisfied the requirement in paragraph (1)(a).

Transmission and storage of user information

28.—(1) A recognised market operator must take all reasonable measures to maintain the integrity and security of the transmission and storage of its user information.

(2) A recognised market operator must immediately notify the Authority of —

- (a) any compromise of the integrity or security of the transmission or storage of any user information of the recognised market operator; and
- (b) any action taken or intended to be taken to restore the integrity and security of the transmission and storage of that user information.

Supervision of participants

29. A recognised market operator specified on the MAS website must —

- (a) have in place measures to ensure that its participants in Singapore comply with the rules of the recognised market operator;
- (b) have in place measures to monitor the compliance of participants in Singapore with Part XII of the Act;
- (c) take immediate action to terminate, suspend or restrict the access of a participant in Singapore to any organised market operated by the recognised market operator —
 - (i) where the participant is an entity licensed or authorised by the Authority, if the participant's licence or authorisation is revoked by the Authority; or
 - (ii) upon the direction of the Authority; and
- (d) within 14 days, or such longer period as the Authority may permit, after taking any disciplinary action against a participant in Singapore, notify the Authority of that disciplinary action.

PART V
MISCELLANEOUS

Criteria for determining whether officer failed to discharge duties or functions

30. For the purposes of section 43(2) of the Act, the Authority may, in determining whether a chairman, chief executive officer, director of an approved exchange or of a recognised market operator (being a Singapore corporation), or any person referred to in section 28(2) of the Act who is appointed to any key management position or committee of an approved exchange, has failed to discharge the duties or functions of his office or employment, have regard to whether that chairman, chief executive officer, director or person has taken reasonable steps to discharge the following duties:

- (a) ensure the proper functioning of the approved exchange or the recognised market operator (as the case may be);
- (b) ensure the compliance of the approved exchange or the recognised market operator (as the case may be), with all relevant legislation (including instruments, however described, having legislative effect), whether of Singapore or of any other jurisdiction in which it is incorporated or in which it operates;
- (c) set out and ensure compliance with written policies on all operational areas of the approved exchange or the recognised market operator (as the case may be), including its financial policies, accounting and internal controls, internal auditing and compliance with all legislation (including instruments, however described, having legislative effect), whether of Singapore or of any

other jurisdiction in which it is incorporated or in which it operates, and all business rules, governing its operations;

(d) identify, monitor and address the risks associated with the business activities of the approved exchange or the recognised market operator (as the case may be);

(e) ensure that the business activities of the approved exchange or the recognised market operator (as the case may be) are subject to adequate internal audit;

(f) oversee the financial undertakings and exposure (to risks of any nature) of the approved exchange or the recognised market operator (as the case may be), by setting out proper delegation limits and risk management controls; and

(g) ensure —

(i) that the approved exchange or the recognised market operator (as the case may be) maintains written records of the steps taken by it to monitor compliance with its policies, the limits on discretionary powers and its accounting and operating procedures; and

(ii) that every report, return or statement submitted by the approved exchange or the recognised market operator (as the case may be) to the Authority is complete and accurate.

Offences

31.—(1) Unless otherwise provided in these Regulations, any corporation which contravenes regulation 5, 8(2), 10(2), 11, 12, 13, 14, 15, 24(2), 25, 26, 27, 28 or 29 shall be guilty of an offence and

shall be liable on conviction to a fine not exceeding \$150,000 and, in the case of a continuing offence, to a further fine not exceeding \$15,000 for every day or part thereof during which the offence continues after conviction.

(2) Section 333(1) of the Act shall not apply to any offence referred to in paragraph (1).

PART VI

REVOCATION

Revocation

32. The Securities and Futures (Markets) Regulations 2005 are revoked.

[...]

SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES (FINANCIAL BENCHMARKS)
REGULATIONS 2017
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PART VI MISCELLANEOUS

29. Offences

FIRST SCHEDULE APPLICATION FEES AND ANNUAL FEES

In exercise of the powers conferred by sections 123E(2), 123F(5), 123I(1), 123K(1), 123M(1), 123O(2), 123Q(1)(e), 123R(1)(c), 123R(2), 123S, 123X(4), 123Y(4), 123ZM(1)(e)(i), 123ZN(1)(c), 123ZN(2), 123ZO, 123ZP, 123ZT(4), 123ZU(3) and 123ZZA of the Securities and Futures Act, the Monetary Authority of Singapore hereby makes the following Regulations:

PART I PRELIMINARY

Citation and commencement

1. These Regulations are the Securities and Futures (Financial Benchmarks) Regulations 2017 and come into operation on _____.

Definitions

2. In these Regulations, unless the context otherwise requires —

“annual report” means the audited profit and loss accounts, audited balance-sheet and auditors’ report, by whatever name called, of an authorised benchmark administrator;

“Code on Designated Benchmark” means the code which every authorised benchmark administrator and exempt benchmark administrator must develop and publish pursuant to S123O of the Act

“Oversight Committee” means an Oversight Committee referred to in regulation 9.

Forms

3.—(1) The forms to be used for the purposes of Part VIAA of the Act and these Regulations are those set out at the Authority’s Internet website at <http://www.mas.gov.sg> (under “Regulations and Financial Stability”, “Regulations, Guidance and Licensing”, “Securities, Futures and Fund Management”), and any reference in these Regulations to a numbered form shall be construed as a reference to

the current version of the form bearing the corresponding number which is displayed at that website.

(2) Any document required to be lodged with the Authority under any provision of Part VIAA of the Act or these Regulations shall be lodged in the relevant form and in the manner specified in the website referred to in paragraph (1), or in such other manner as the Authority may specify from time to time.

(3) All forms used for the purposes of Part VIAA of the Act and these Regulations shall be completed in the English language and in accordance with such directions as may be specified in the form or by the Authority.

(4) The Authority may refuse to accept any form if —

(a) it is not completed in accordance with the manner specified by the Authority; or

(b) it is not accompanied by the relevant fee referred to in regulation 4.

(5) Where strict compliance with any form is not possible, the Authority may allow for the necessary modifications to be made to that form, or for the requirements of that form to be complied with in such other manner as the Authority thinks fit.

Fees

4.—(1) The fees specified in the First Schedule shall be payable to the Authority for the purposes specified therein and, subject to section 123I(2) of the Act, shall not be refundable.

(2) Payment of fees may be made through such electronic funds transfer system as the Authority may designate from time to time, whereby payment may be effected by directing the transfer of funds electronically from the bank account of the payer to a bank account designated by the Authority.

Keeping of books and other information

5. Every authorised benchmark administrator, exempt benchmark administrator, authorised benchmark submitter, exempt benchmark submitter and designated benchmark submitter shall ensure that all relevant books and other information as may be required by the Authority for the purposes of the Act are kept for a minimum of 5 years.

Record of representatives

6.—(1) Every authorised benchmark administrator and exempt benchmark administrator of a designated benchmark shall maintain a record of its representatives involved in the business of administering the designated benchmark and every authorised benchmark submitter, exempt benchmark submitter and designated benchmark submitter of a designated benchmark shall maintain a record of its representatives involved in the business or activity of providing information in relation to the designated benchmark.

(2) For the purpose of paragraph (1), the record of its representatives must include the following details of the representative:

- (a) name;
- (b) identity card number or passport number;
- (c) address;
- (d) date on which the representative commences acting as a representative in respect of the authorised benchmark administrator, exempt benchmark administrator, authorised benchmark submitter, exempt benchmark submitter and designated benchmark submitter; and
- (e) date on which the representative ceases acting as a representative in respect of the authorised benchmark administrator, exempt benchmark administrator, authorised benchmark submitter, exempt benchmark submitter and designated benchmark submitter.

PART II
AUTHORISATION AS AUTHORISED BENCHMARK
ADMINISTRATOR

Application for authorisation

7. For the purposes of section S123E(2) of the Act, an application for authorisation as an authorised benchmark administrator under section S123E(1) of the Act shall be made in Form 1 and shall be lodged with the Authority together with any relevant annex and information as may be specified in the Form.

Minimum requirements for authorisation

8.—(1) For the purposes of section 123F(5) of the Act, the Authority shall not approve an applicant as an authorised benchmark administrator, unless the applicant has demonstrated to the Authority's satisfaction that —

- (a) the applicant is able to meet the obligations of, and comply with the requirements imposed on, an authorised benchmark administrator under the Act; and
- (b) the applicant is able to maintain a minimum base capital of at least \$10,000.

(2) In this regulation, “base capital”, in relation to an applicant, means the amount remaining after deducting any interim loss in the latest accounts of the applicant, and any dividend that has been declared since the latest audited accounts of the applicant, from the sum of the following items:

- (a) the paid-up ordinary share capital of the applicant in the latest accounts of the applicant;
- (b) the paid-up irredeemable and non-cumulative preference share capital of the applicant in the latest accounts of the applicant; and

- (c) any unappropriated profit or loss in the latest audited accounts of the applicant.

PART III

REGULATION OF AUTHORISED BENCHMARK ADMINISTRATORS AND EXEMPT BENCHMARK ADMINISTRATORS

Division 1 — Obligations and matters relating to authorised benchmark administrators and exempt benchmark administrators

Oversight Committee

9.—(1) Subject to paragraph (2), every authorised benchmark administrator and exempt benchmark administrator must have an Oversight Committee for each designated benchmark it administers comprising at least one-third of members who are not any of the following persons:

- (a) any of its directors, key management officers or substantial shareholders;
- (b) any director, key management officer or substantial shareholder of any authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter providing information in relation to the designated benchmark.

(2) The Oversight Committee must include fit and proper individuals representing –

- (a) the authorised benchmark administrator or exempt benchmark administrator, as the case may be;
- (b) the authorised benchmark submitters, exempt benchmark submitters and designated benchmark submitters; and
- (c) the users of the designated benchmark.

(3) Every authorised benchmark administrator and exempt benchmark administrator must obtain the approval of the Authority for the appointment of the members of the Oversight Committee.

(4) For the purposes of paragraph (3), an authorised benchmark administrator or exempt benchmark administrator must submit to the Authority an application for approval of the appointment of a person (called an appointee in this regulation) as a member of its Oversight Committee in Form 2, and lodge with the Authority any relevant annex and information as may be specified in the Form or by the Authority from time to time.

(5) The Authority may have regard to the following criteria in determining whether to grant its approval in respect of an application under paragraph (3):

- (a) whether the appointee is a fit and proper person;
- (b) whether it would be contrary to the interests of the public to approve the appointment of the appointee;
- (c) whether the authorised benchmark administrator or exempt benchmark administrator of the designated benchmark, the authorised benchmark submitters, exempt benchmark submitters and designated benchmark submitters of the designated benchmark and users of the designated benchmark will be adequately represented on the Oversight Committee.

Responsibilities of Oversight Committee

10. The Oversight Committee of an authorised benchmark administrator or exempt benchmark administrator must, in relation to a designated benchmark, review the adequacy of —

- (a) the design of the designated benchmark;
- (b) the Code on Designated Benchmark in respect of the designated benchmark;
- (c) the arrangements in place to govern the business of administering a designated benchmark including

mechanisms for receiving information on suspected or attempted manipulation of the designated benchmark, or failure of any authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter to comply with the code on designated benchmark in respect of the designated benchmark;

- (d) the measures to maintain the confidentiality of all information or expressions of opinion used for the purpose of determining the designated benchmark; and
- (e) the external and internal audit function in relation to the business of administering a designated benchmark including reviewing the scope and results of audits as well as the independence and objectivity of the external auditors.

Obligation to notify Authority of certain matters

11.—(1) For the purposes of section 123Q(1)(e)(i) of the Act, an authorised benchmark administrator or exempt benchmark administrator shall, as soon as practicable after the occurrence of any of the following circumstances, notify the Authority of such circumstance:

- (a) any civil or criminal legal proceeding instituted against the authorised benchmark administrator or exempt benchmark administrator, as the case may be, whether in Singapore or elsewhere;
- (b) any disciplinary action taken against the authorised benchmark administrator or exempt benchmark administrator or its representatives, as the case may be, by any regulatory authority, whether in Singapore or elsewhere, other than the Authority;
- (c) any change to the regulatory requirements imposed on the authorised benchmark administrator or exempt benchmark administrator, as the case may be, by any regulatory authority, whether in Singapore or elsewhere, other than the Authority;

- (d) where the authorised benchmark administrator or exempt benchmark administrator, as the case may be, suspect that, in relation to the designated benchmark it administers, there has been manipulation or attempted manipulation of the designated benchmark.

(2) Where a circumstance referred to in paragraph (1)(a), (b) or (d) has occurred, the authorised benchmark administrator or exempt benchmark administrator shall, in addition to the notice required under paragraph (1), within 14 days of the occurrence of the circumstance or such longer period as the Authority may permit, submit a report to the Authority of the circumstances relating to the occurrence, the remedial actions taken at the time of the occurrence, and the subsequent follow-up actions that the authorised benchmark administrator or exempt benchmark administrator, as the case may be, has taken or intends to take.

Obligation to submit periodic reports

12.—(1) For the purposes of section 123S of the Act, an authorised benchmark administrator and exempt benchmark administrator shall submit to the Authority —

- (a) within 3 months after the end of its financial year or such longer period as the Authority may permit, a copy of its —
 - (i) annual report and directors' report prepared in accordance with the provisions of the Companies Act (Cap. 50); and
 - (ii) auditors' report of the authorised benchmark administrator or exempt benchmark administrator, as the case may be;
- (b) within 45 days after the end of each of the first 3 quarters of its financial year or such longer period as the Authority may permit, a copy of its —
 - (i) profit and loss accounts of the authorised benchmark administrator or exempt benchmark administrator as the case may be for the preceding quarter; and

- (ii) balance-sheet of the authorised benchmark administrator or exempt benchmark administrator as the case may be for the preceding quarter;
- (c) within 3 months after the end of its financial year or such longer period as the Authority may permit, a report on how the authorised benchmark administrator or exempt benchmark administrator, as the case may be, has discharged its responsibilities under the Act during that financial year;
- (d) when required by the Authority, a report relating to the business of the authorised benchmark administrator or exempt benchmark administrator, as the case may be, at such time or on such periodic basis as may be specified by the Authority; and
- (e) when required by the Authority, such other report as the Authority may require for the proper administration of the Act.

(2) The auditors' report referred to in paragraph (1)(a)(ii) must be prepared by an auditor approved by the Oversight Committee of the authorised benchmark administrator or exempt benchmark administrator, as the case may be.

(3) The auditors' report referred to in paragraph (1)(a)(ii) shall include the findings and recommendations of the auditors, if any, on

—

- (a) the compliance by the authorised benchmark administrator or exempt benchmark administrator, as the case may be, to its policies and procedures pertaining to its business of administering a designated benchmark;
- (b) the internal controls of the authorised benchmark administrator or exempt benchmark administrator, as the case may be; and
- (c) the non-compliance by the authorised benchmark administrator or exempt benchmark administrator, as the case may be, with —
 - (i) any provision of the Act;

- (ii) any direction issued by the Authority under the Act;
- (iii) any other relevant laws or regulations.

Notification of change of particulars

13. For the purposes of section 123T of the Act, the authorised benchmark administrator or exempt benchmark administrator, as the case may be, must, furnish particulars of the event to the Authority in Form 3.

Business continuity plan

14. —(1) An authorised benchmark administrator or exempt benchmark administrator shall maintain at all times a plan of action (referred to in this regulation as a business continuity plan) setting out the procedures and establishing the systems necessary to restore, in the event of any disruption to the authorised benchmark administrator's or exempt benchmark administrator's, as the case may be, business of administering the designated benchmark.

(2) An authorised benchmark administrator or exempt benchmark administrator shall review the procedures and systems referred to in paragraph (1) on such regular basis as may be specified in the business continuity plan.

(3) An authorised benchmark administrator or exempt benchmark administrator shall immediately notify the Authority of any activation of the authorised benchmark administrator's or exempt benchmark administrator's, as the case may be, business continuity plan and of any action taken or intended to restore the authorised benchmark administrator's or exempt benchmark administrator's, as the case may be, business of administering the designated benchmark.

(4) An authorised benchmark administrator or exempt benchmark administrator shall, within 14 days or such longer period as may be permitted by the Authority, inform the Authority of any material change to the authorised benchmark administrator's or exempt benchmark administrator's, as the case may be, business continuity plan, and shall,

if requested by the Authority, submit a copy of the new or amended plan to the Authority.

Transmission and storage of information

15. —(1) An authorised benchmark administrator or exempt benchmark administrator shall take all reasonable measures to maintain the integrity and security of the transmission and storage of records it is required to maintain under the Act.

(2) An authorised benchmark administrator or exempt benchmark administrator must immediately notify the Authority of —

- (a) any compromise of the integrity or security of the transmission or storage of records it is required to maintain under the Act; and
- (b) any action taken or intended to be taken to restore the integrity and security of the transmission or storage of any records it is required to maintain under the Act.

Division 2 — Code on Designated Benchmark

Content of Code on Designated Benchmark

16. — A code of designated benchmark that is prepared and issued by an authorised benchmark administrator or exempt benchmark administrator under section 123O(1) of the Act must include the following:

- (a) a description of information to be provided to the authorised benchmark administrator or the exempt benchmark administrator, as the case may be, by the authorised benchmark submitters, exempt benchmark submitters and designated benchmark submitters, as the case may be
- (b) the policies and procedures that an authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter must have in place for submissions
- (c) the arrangements that an authorised benchmark submitter, exempt benchmark submitter or designated

benchmark submitter must have in place to govern its business or activity of providing information in relation to a designated benchmark including the process of notifying the authorised benchmark administrator or exempt benchmark administrator, as the case may be, of the manipulation or attempted manipulation and providing all relevant information where the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter suspects that there has been manipulation or attempted manipulation of the designated benchmark, in relation to which it provides information.

Division 3 — Matters requiring approval of Authority

Application for approval of chief executive officer and director

17. —(1) For the purposes of section 123X(1) of the Act, an authorised benchmark administrator may apply for approval under section 123X(1)(a) or 123X(1)(b) of the Act by submitting Form 4 to the Authority.

(2) Where an authorised benchmark administrator has made an application under paragraph (1), the Authority may require the authorised benchmark administrator to furnish the Authority with such information or documents as the Authority considers necessary in relation to the application referred to in paragraph (1) and the authorised benchmark administrator must comply with that requirement.

Criteria for approval of chief executive officer and director

18. —(1) For the purposes of section 123X(4) of the Act, the Authority may have regard to the following matters in determining whether to approve or refuse to approve the appointment of a person under section 123X(1) of the Act:

- (a) whether the person is fit and proper to be so appointed;
- (b) whether the appointment of the person would be consistent with any applicable written law relating to –

- (i) the qualifications for the position; or
 - (ii) the requirements for the composition of the board of directors or any committee of the authorised benchmark administrator;
- (c) whether it would be contrary to the interests of the public to approve the appointment of the person.

Criteria for determining whether director or executive officer failed to discharge duties or functions

19. For the purposes of section 123Y(3) of the Act, the Authority may, in determining whether a director or executive officer of an authorised benchmark administrator has failed to discharge the duties or functions of his office or employment, have regard to whether that director or executive officer has taken reasonable steps to discharge the following duties:

- (a) ensure the proper functioning of the authorised benchmark administrator;
- (b) ensure the compliance of the authorised benchmark administrator with all relevant legislation (including instruments, however described, having legislative effect), whether of Singapore or of any other jurisdiction in which it is incorporated or in which it operates;
- (c) set out and ensure compliance of the authorised benchmark administrator with all written policies on all operational areas of the authorised benchmark administrator, including its financial policies, accounting and internal controls, internal auditing and compliance with all legislation (including instruments, however described, having legislative effect), whether of Singapore or of any other jurisdiction in which it is incorporated or in which it operates, and all business rules governing its operations;
- (d) identify, monitor and address the risks associated with the business activities of the authorised benchmark administrator;

- (e) ensure that the business activities of the authorised benchmark administrator are subject to adequate internal audit;
- (f) oversee the financial undertakings and exposure (to risks of any nature) of the authorised benchmark administrator by setting out proper delegation limits and risk management controls; and
- (g) ensure —
 - (i) that the authorised benchmark administrator maintains written records of the steps taken by it to monitor compliance with its policies, the limits on discretionary powers and its accounting and operating procedures; and
 - (ii) that every report, return or statement submitted by the authorised benchmark administrator to the Authority is complete and accurate.

PART IV

AUTHORISATION AS AUTHORISED BENCHMARK SUBMITTER AND COMMENCEMENT OF ACTIVITIES BY EXEMPT BENCHMARK SUBMITTER

Application for authorisation

20. For the purposes of section 123ZD(2)(a) of the Act, an application for authorisation as an authorised benchmark submitter under section S123ZD(2) of the Act shall be made in Form 5 and shall be lodged with the Authority together with any relevant annex and information specified in the Form.

Notification of commencement of business by persons exempted from requirement to be an authorised benchmark submitter

21. For the purposes of section 123ZH(2) of the Act, a person who is exempted from section 123ZC(1) under section 123ZH(1) of the Act must lodge the following with the Authority:

- (a) where the person commences the business or activity of providing information in relation to a designated benchmark after [commencement date], a notice of such commencement in Form 6, 14 days prior to the commencement or such later date as the Authority may allow in any particular case;
- (b) where the person ceases the business or activity of providing information in relation to a designated benchmark, a notice of cessation in Form 7, not later than 14 days after the cessation or such later date as the Authority may allow;
- (c) where there is any change in any particulars required to be notified in Form 6, a notice of such change in Form 8, not later than 14 days after the date of change or such later date as the Authority may allow in any particular case.

PART V

REGULATION OF AUTHORISED BENCHMARK SUBMITTERS, EXEMPT BENCHMARK SUBMITTERS AND DESIGNATED BENCHMARK SUBMITTERS

Division 1 — Obligations and matters relating to authorised benchmark submitters, exempt benchmark submitters and designated benchmark submitters

Obligation to notify Authority of certain matters

22. —(1) For the purposes of section 123ZM(1)(e)(i) of the Act, an authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be, shall, as soon as practicable after the occurrence of any of the following circumstances, notify the Authority of such circumstance:

- (a) any civil or criminal legal proceeding instituted against the authorised benchmark submitter, exempt benchmark

submitter or designated benchmark submitter, as the case may be, whether in Singapore or elsewhere

- (b) any disciplinary action taken against the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter or its representatives as the case may be, by any regulatory authority, whether in Singapore or elsewhere, other than the Authority;
- (c) any change to the regulatory requirements imposed on the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be, by any regulatory authority, whether in Singapore or elsewhere, other than the Authority;
- (d) where the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be, suspects that, in relation to the designated benchmark it provides information in relation to, there has been manipulation or attempted manipulation of the designated benchmark.

(2) Where a circumstance referred to in paragraph (1)(a), (b) or (d) has occurred, the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be, shall, in addition to the notice required under paragraph (1), within 14 days of the occurrence of the circumstance or such longer period as the Authority may permit, submit a report to the Authority of the circumstances relating to the occurrence, the remedial actions taken at the time of the occurrence, and the subsequent follow-up actions that the authorised benchmark submitter, exempt benchmark submitter, designated benchmark submitter, as the case may be, has taken or intends to take.

Obligation to submit periodic reports

23. —(1) For the purposes of section 123ZO of the Act, an authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter shall submit to the Authority —

- (a) every 12 months, or such longer period as the Authority may permit, beginning on such date as agreed with the Authority, a report by an external auditor;
 - (b) when required by the Authority, such other report as the Authority may require for the proper administration of the Act.
- (2) The auditors' report referred to in paragraph 1(a) shall include the findings and recommendations of the auditors, if any, on —
- (a) the compliance by the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be, to its policies and procedures pertaining to its business or activity of providing information in relation to a designated benchmark;
 - (b) the internal controls of the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be; and
 - (c) the non-compliance by the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be with —
 - (i) any provision of Part VIAA and Part XII of the Act;
 - (ii) any direction issued by the Authority under Part VIAA and Part XII of the Act; or
 - (iii) any other relevant laws or regulations.

Notification of change of particulars

24. For the purpose of section 123ZP, the authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter, as the case may be, shall furnish particulars of the event to the Authority in Form 9.

Transmission and storage of information

25. —(1) An authorised benchmark submitter, exempt benchmark submitter, designated benchmark submitter shall take all reasonable

measures to maintain the integrity and security of the transmission and storage of records it is required to maintain under the Act.

(2) An authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter shall immediately notify the Authority of —

- (a) any compromise of the integrity or security of the transmission or storage of records it is required to maintain under the Act; and
- (b) any action taken or intended to be taken to restore the integrity and security of the transmission or storage of any records it is required to maintain under the Act.

Division 2 — Matters requiring approval of Authority

Application for approval of chief executive officer and director

26. —(1) For the purposes of section 123ZT(1) of the Act, an authorised benchmark submitter or designated benchmark submitter may apply for approval under section 123ZT(1)(a) or 123ZT(1)(b) of the Act by submitting Form 10 to the Authority.

(2) Where an authorised benchmark submitter or designated benchmark submitter has made an application under paragraph (1), the Authority may require the authorised benchmark submitter or designated benchmark submitter, as the case may be, to furnish the Authority with such information or documents as the Authority considers necessary in relation to the and the authorised benchmark submitter or designated benchmark submitter, as the case may be, must comply with that requirement.

Criteria for approval of chief executive officer and director

27. For the purposes of section 123ZT(4) of the Act, the Authority may have regard to the following matters in determining whether to approve or refuse to approve the appointment of a person under section 123ZT(1) of the Act:

- (a) whether the person is fit and proper to be so appointed;
- (b) whether the appointment of the person would be consistent with any applicable written law relating to –
 - (i) the qualifications for the position; or
 - (ii) the requirements for the composition of the board of directors or any committee of the authorised benchmark submitter or designated benchmark submitter, as the case may be;
- (c) whether it would be contrary to the interests of the public to approve the appointment of the person.

Criteria for determining whether director or executive officer failed to discharge duties or functions

28. For the purposes of section 123ZU(3) of the Act, the Authority may, in determining whether a director or executive officer of an authorised benchmark submitter or designated benchmark submitter, as the case may be, has failed to discharge the duties or functions of his office or employment, have regard to whether the director or executive officer has taken reasonable steps to discharge the following duties:

- (a) ensure the proper functioning of the authorised benchmark submitter or designated benchmark submitter, as the case may be;
- (b) ensure the compliance of the authorised benchmark submitter or designated benchmark submitter (as the case may be), with all relevant legislation (including instruments, however described, having legislative effect), whether of Singapore or of any other jurisdiction in which it is incorporated or in which it operates
- (c) set out and ensure compliance of the authorised benchmark submitter or designated benchmark submitter (as the case may be) with written policies on all operational areas of the authorised benchmark submitter or designated benchmark submitter, as the case may be), including its financial

policies, accounting and internal controls, internal auditing and compliance with all legislation (including instruments, however described, having legislative effect), whether of Singapore or of any other jurisdiction in which it is incorporated or in which it operates, and all business rules, governing its operations;

- (d) identify, monitor and address the risks associated with the business of the authorised benchmark submitter or designated benchmark submitter, as the case may be;
- (e) ensure that the business activities of the authorised benchmark submitter or designated benchmark submitter, as the case may be, are subject to adequate internal audit;
- (f) oversee the financial undertakings or exposure (to risks of any nature) of the authorised benchmark submitter or designated benchmark submitter (as the case may be) by setting out proper delegation limits and risk management controls;
- (g) ensure —
 - (i) that the authorised benchmark submitter or designated benchmark submitter (as the case may be), maintains written records of the steps taken by it to monitor compliance with its policies, the limits on discretionary powers and its accounting and operating procedures; and
 - (ii) that every report, return or statement submitted by the authorised benchmark submitter or the designated benchmark submitter (as the case may be) to the Authority is complete and accurate.

PART VI

MISCELLANEOUS

Offences

26. —(1) Unless otherwise provided in these Regulations, any corporation which contravenes regulation 5, 6, 9(1), (2), (3) or (4), 11(2), 14, 15 or 16 shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$150,000 and, in the case of a continuing offence, to a further fine not exceeding \$15,000 for every day or part thereof during which the offence continues after conviction.

(2) Unless otherwise provided in these Regulations, any corporation which contravenes regulation 5, 6, 22(2), 25 shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

(3) Section 333(1) of the Act does not apply to any offence referred to in paragraphs (1) and (2).

FIRST SCHEDULE
APPLICATION FEES AND ANNUAL FEES

1. For every application for authorisation as an authorised benchmark administrator, under section 123E(1) of the Act	\$4,000
2. Annual fee under section 123I(1) of the Act for every authorised or exempt benchmark administrator	\$10,000

SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
(COLLECTIVE INVESTMENT SCHEMES) REGULATIONS
2005

ARRANGEMENT OF REGULATIONS

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3. Forms
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5. Approval criteria for trustees

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Division 3 — Trust Deed Requirements

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- 10A. Forms for authorisation and recognition, etc.

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11. Contents of prospectus
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14. Supplementary document and replacement document
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Subdivision (1) — Requirements for advertisements or publications for the purposes of section 300(3C) of Act Application of this Subdivision

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22. Legibility and audibility of advertisements
23. Contents of advertisement where units in collective investment scheme are already offered
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28. Performance of manager or submanager
29. Future performance of collective investment scheme

Subdivision (2) — Requirements for advertisements or publications for the purposes of section 300 (4) of Act

30. Applicability of Subdivision (2) to advertisements or publications referred to in section 300(4) of Act

31. Report about units in collective investment scheme published and delivered to institutional investors

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NOTIFICATION OF OFFERS OF UNITS IN RESTRICTED SCHEMES

Regulation

32. Extent to which Subdivisions (2) and (3) in Division 2 of Part XIII of Act apply to restricted schemes

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- 32A. Prescribed manner of notice

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EXEMPTIONS

33. Determination of closely related offer for small offer and private placement
34. Contents of offer information statement under section 305B of Act
35. Exemption from requirement for expert's consent under section 249(1) of Act
36. Exemption from sections 304A(1) and 305A(1), (2) and (3) of Act
37. Exemption for offer to existing participants

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EXTRA-TERRITORIAL APPLICATION OF DIVISION 2 OF PART XIII OF ACT

38. Non-applicability of section 339(2) of Act under certain circumstances

PART VII

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39. Revocation

40. Prospectus, etc., lodged in compliance with Regulations in force immediately before date of commencement of these Regulations
41. [Deleted] The Schedules

FIRST SCHEDULE Fees

SECOND SCHEDULE Requirements relating to the purchase of units from participants in a collective investment scheme by the manager for the scheme in the circumstances set out in regulation 8(4)(d)

THIRD SCHEDULE Requirements for preparation of a prospectus (under section 296(1) of the Act) for an offer of units in a collective investment scheme

FOURTH SCHEDULE Information that may be omitted from a preliminary document

FIFTH SCHEDULE Illustration

SIXTH SCHEDULE Modified provisions for restricted schemes

SEVENTH SCHEDULE Particulars to be included in an offer information statement under section 305b of the Act in respect of a real estate investment trust ~~collective investment scheme that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the code on collective investment schemes~~

In exercise of the powers conferred by sections 286, 287, 289, 296, 300, 302B, 302C, 305, 305B, 305C, 306, 337 and 341 of the Securities and Futures Act (as amended by the Securities and Futures (Amendment) Act 2005 (Act 1 of 2005)), the Monetary Authority of Singapore hereby makes the following Regulations:

PART I
PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 and shall come into operation on 15th October 2005.

Definitions

2.—(1) In these Regulations, unless the context otherwise requires —

“approved trustee” means a public company approved by the Authority under section 289(1) of the Act to act as a trustee for collective investment schemes;

“custodian” means an entity to which the assets of a collective investment scheme are entrusted for safekeeping;

[S 191/2013 wef 01/07/2013]

“information memorandum” has the same meaning as in section 305(5) of the Act;

[S 191/2013 wef 01/07/2013]

“key executive” means an individual —

(a) who is employed in an executive capacity by the manager for a collective investment scheme; and

(b) who makes, has the capacity to make, or participates in making, decisions that affect the whole or a substantial part of the management of the collective investment scheme;

[S 191/2013 wef 01/07/2013]

“language of the prospectus” has the same meaning as in section 287(13B) of the Act;

“restricted foreign scheme” means a restricted scheme constituted outside Singapore which is in the list of restricted schemes maintained by the Authority under the Sixth Schedule;

[S 420/2009 wef 01/10/2009]

“restricted non-capital markets products scheme” means a restricted scheme which:

- (a) does not invest in capital markets products;
- (b) is offered only to accredited investors; and
- (c) has submitted to the Authority the information required under paragraph 2A(1) and (2) of the Sixth Schedule;

“restricted recognised scheme” means a restricted scheme which is constituted outside Singapore and recognised under paragraph 3 of the Sixth Schedule;

“restricted scheme” means a collective investment scheme, whether constituted in Singapore or elsewhere, in respect of which —

- (a) an offer of units in the scheme is made or intended to be made to a relevant person defined in section 305(5) of the Act; or
- (b) an offer referred to in section 305(2) of the Act is made or intended to be made,

and which satisfies the conditions referred to in section 305(3) of the Act;

“restricted Singapore scheme” means a restricted scheme constituted in Singapore which is in the list of restricted schemes maintained by the Authority under the Sixth Schedule.

[S 420/2009 wef 01/10/2009]

[Deleted by S 469/2012 wef 01/10/2012]

(2) In the Seventh Schedule, “latest practicable date” means a date which is the latest practicable in the context of the applicable requirement in these Regulations and which is no earlier than 7 days prior to the date of lodgment of the offer information statement with the Authority.

(3) Any word or expression used in these Regulations which is defined in section 283 of the Act shall, unless the context otherwise requires, have the same meaning as in that section.

Forms

3.—(1) The forms to be used for the purposes of Division 2 of Part XIII of the Act (other than sections 289, 295A and 305 of the Act) and these Regulations (save for regulations 5A and 32A and paragraph 2(1) of the Sixth Schedule) are those set out at the Authority’s Internet website at <http://www.mas.gov.sg> (under “OPERA”), or at <https://opera.mas.gov.sg>, and any reference in those Regulations to a numbered form shall be construed as a reference to the current version of the form bearing the corresponding number which is displayed at that website.

[S 494/2014 wef 29/07/2014]

(1A) The forms to be used for the purposes of sections 289 and 295A of the Act and regulations 5A and 32A are those set out at the Authority’s Internet website at <http://www.mas.gov.sg> (under “Regulations and Financial Stability”, “Regulations, Guidance and Licensing”, “Securities, Futures and Fund Management”) and any reference in that regulation to a numbered form shall be construed as a reference to the current version of the form bearing the corresponding number which is displayed at that website.

[S 494/2014 wef 29/07/2014]

(1B) The forms to be used for the purposes of section 305 of the Act and paragraph 2(1) of the Sixth Schedule are those set out at the Authority's Internet website at <http://www.mas.gov.sg> (under "CISNet"), or at <https://masnetsvc2.mas.gov.sg/cisnet>.

[S 494/2014 wef 29/07/2014]

(1C) Where the Authority's Internet website at <http://www.mas.gov.sg> does not set out a form which may be used for lodging a document with the Authority under a provision in Division 2 of Part XIII of the Act or these Regulations, that document shall be lodged with the Authority using Form 6, as set out at the Authority's Internet website at <http://www.mas.gov.sg> (under "OPERA"), or at <https://opera.mas.gov.sg>.

[S 494/2014 wef 29/07/2014]

(2) All forms used for the purposes of Division 2 of Part XIII of the Act and these Regulations shall be completed in the English language and in accordance with such directions as may be specified in the form or by the Authority.

(3) The Authority may refuse to accept any form if —

- (a) it is not completed or lodged in accordance with this regulation; or
- (b) it is not accompanied by the relevant fee referred to in regulation 4.

Fees

4.—(1) Subject to paragraph (2), the fees specified in the First Schedule shall be payable to the Authority for the purposes specified therein, and shall not be refundable.

(2) The Authority may waive in whole or in part any fee under item 7 of the First Schedule as it thinks fit.

PART II

AUTHORISATION AND RECOGNITION REQUIREMENTS

Division 1 — Approval Criteria for Trustees

Approval criteria for trustees

5.—(1) For the purposes of section 289 of the Act, the Authority may approve a public company as an approved trustee if the Authority is satisfied that —

(a) the public company has —

- (i) a paid-up capital of not less than \$1 million;
- (ii) shareholders' funds of not less than \$1 million;
- (iii) a sound financial position; and
- (iv) a sufficient number of qualified personnel with experience in performing the duties of an approved trustee or other relevant experience, having regard to

the nature and extent of the activities which the public company carries on or will carry on;

(b) the public company is a fit and proper person;

(c) each officer of the public company is a fit and proper person; and

(d) the public company has, if so required by the Authority —

- (i) obtained professional indemnity insurance for such amount and on such terms as may be specified by the Authority by notice in writing; or
- (ii) provided the Authority with a performance bond, guarantee or any similar instrument (by whatever name called) from its holding company, if any, for such amount and on such terms as may be specified by the Authority by notice in writing.

(2) In determining whether a public company is a fit and proper person for the purposes of paragraph (1)(b), the Authority may take into account any matter it deems fit, including matters relating to —

- (a) any person who is or will be employed by or associated with the public company;
- (b) any person whom the Authority considers to be exercising influence over the public company; and
- (c) any person whom the Authority considers to be exercising influence over a related corporation of the public company.

(3) In paragraph (1) —

“officer”, in relation to a public company, means any director or secretary of the public company or any person employed in an executive capacity by the public company;

“personnel”, in relation to a public company, means —

- (a) any person, including any director, employed in an executive or managerial capacity by the public company; or
- (b) any other person who carries out executive or managerial duties for the public company.

Division 2 — Requirements for Approved Trustees

Forms for approved trustees

5A.—(1) For the purposes of section 289(1) of the Act, the application for approval of a public company to act as a trustee for a collective investment scheme shall be submitted to the Authority using Form 3.

(2) Where there is any change in any particular submitted to the Authority by way of Form 3, the applicant shall notify the

Authority in writing of such change within 14 days after such change.

[S 494/2014 wef 29/07/2014]

Annual fees for approved trustees

6. Every approved trustee shall pay to the Authority the annual fee specified in item 4 of the First Schedule.

Operational requirements for approved trustees

7.—(1) An approved trustee shall, in respect of a collective investment scheme for which it acts as trustee —

- (a) where the approved trustee becomes aware that the manager for the scheme has contravened any legal or regulatory requirement applicable to the manager in relation to the scheme, inform the Authority of the contravention no later than 3 business days after the approved trustee becomes aware of the contravention;
- (b) take into custody or control all the property of the scheme and hold the property on trust for the participants;
- (c) ensure that all the property of the scheme is properly accounted for;
- (d) ensure that the property of the scheme is kept distinct from its own property and the property of its other clients;
- (e) keep and maintain, or cause to be kept and maintained, a register of the participants in the scheme;
- (f) make the register available for inspection during its business hours, free of charge, to the manager for the scheme or any participant in the scheme; and

(g) where that register is not in the language of the prospectus, make available for inspection during its business hours an accurate translation of the register in the language of the prospectus, free of charge, to the manager for the scheme or any participant in the scheme, unless the manager or the participant, as the case may be, has consented to the register being made available to him for inspection in a language other than the language of the prospectus.

(2) The register referred to in paragraph (1)(e) shall contain, in respect of each participant or person who has ceased to be a participant, in the scheme — (a) his name and address;

(b) the extent of his holding;

(c) the date on which his name was entered in the register as a participant; and

(d) if applicable, the date on which he ceases or ceased to be a participant.

(3) Any person who contravenes paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

(4) Section 333(1) of the Act shall not apply to any offence under paragraph (3).

Division 3 — Trust Deed Requirements

Covenants to be included in trust deeds

8.—(1) For the purposes of section 286(2)(c) of the Act, the Authority may authorise a collective investment scheme constituted in Singapore as a unit trust if the trust deed —

(a) subject to paragraph (4), contains the covenants referred to in paragraph (2); and

(b) includes the provisions referred to in regulation 9.

(2) The trust deed referred to in paragraph (1) shall contain covenants —

(a) binding the manager for the scheme —

(i) to use its best endeavours —

(A) to carry on and conduct its business in a proper and efficient manner; and

(B) to ensure that the scheme is carried on and conducted in a proper and efficient manner;

(ii) to pay to the trustee for the scheme within 5 business days after the receipt by the manager of any money that, under the trust deed, is payable by the manager to the trustee;

(iii) to issue, redeem or repurchase units in the scheme at a price based on the net asset value of the scheme or otherwise, in accordance with the Code on Collective Investment Schemes;

(iv) at the request of a participant in the scheme, to purchase from the participant units which the participant has subscribed for or acquired, except in the circumstances specified in paragraph (4);

(v) to keep or cause to be kept such books as will sufficiently explain the transactions and financial position of the scheme and enable true and fair accounts to be prepared from time to time;

(vi) to keep or cause to be kept the books referred to in sub-paragraph (v) in such manner as will enable them to be conveniently and properly audited; and

(vii) to prepare or cause to be prepared —

- (A) semi-annual accounts and annual accounts relating to the scheme in the language of the prospectus; and
- (B) semi-annual reports and annual reports relating to the scheme in the language of the prospectus, in accordance with the Code on Collective

Investment Schemes;

(b) binding the trustee for the scheme —

- (i) to exercise all due diligence and vigilance in carrying out its functions and duties and in safeguarding the rights and interests of the participants in the scheme;
- (ii) to cause the annual accounts relating to the scheme to be audited at the end of each financial year by an auditor, other than in such cases as may be specified by the Authority in the Code on Collective Investment Schemes, and to ensure that the report of the auditor is prepared in the language of the prospectus; and
- (iii) to send or cause to be sent to the participants —
 - (A) the semi-annual accounts and annual accounts relating to the scheme;
 - (B) the report of the auditor on the annual accounts; and
 - (C) the semi-annual report and annual report relating to the scheme,

in accordance with the Code on Collective Investment Schemes; and

- (c) binding the manager for the scheme, to the same extent as if the trustee for the scheme were a director of the manager —

- (i) to make available for inspection within a reasonable time to the trustee, or any auditor appointed by the trustee, the books of the manager relating to the scheme whether these books are kept at the registered office of the manager or elsewhere; and
- (ii) to give within a reasonable time to the trustee, or any auditor appointed by the trustee, such oral or written information as the trustee or auditor requires with respect to the scheme.

(3) In this regulation, “accounts” has the same meaning as in section 4(1) of the Companies Act (Cap. 50).

(4) The trust deed of a collective investment scheme constituted in Singapore as a unit trust may exclude the covenant referred to in paragraph (2)(a)(iv) if —

- (a) the scheme is ~~a real estate investment trust one that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes, all or any of the units of which are or are to be listed for quotation on a securities exchange;~~

[S 469/2012 wef 01/10/2012]

- (b) in the case of a scheme where the offer of units is an offer for which a prospectus is required, the units in the scheme are listed for quotation on ~~a securities an~~ **approved** exchange within 30 days after the prospectus in respect of the offer is registered by the Authority;

- (c) the advertising and marketing materials (including the prospectus referred to in sub-paragraph (b)) in relation to the scheme contain —
 - (i) a statement to the effect that, for so long as the units in the scheme are listed for quotation on **a securities an approved** exchange, the participants in the scheme shall have no right to request the manager for the scheme to redeem or purchase their units in the scheme; and
 - (ii) a warning to prospective investors that the listing for quotation of the units in the scheme on **a securities an approved** exchange does not guarantee a liquid market for those units; and
- (d) the trust deed contains a covenant binding on the manager for the scheme that if at any time the units in the scheme —
 - (i) are suspended from trading for 60 calendar days on all **securities approved** exchanges on which the units have been listed for quotation; or
 - (ii) cease to be listed for quotation on all **securities approved** exchanges on which the units have been listed for quotation,

the manager shall offer to purchase from the participants in the scheme the units in the scheme in accordance with the provisions of the trust deed and the requirements set out in the Second Schedule.

Other particulars to be included in trust deeds

9. The trust deed referred to in regulation 8(1) shall include —

- (a) provisions relating to such particulars as are sufficient to disclose the structure of the scheme, the nature of the units in the scheme, the investment objectives of the

scheme and the types of authorised investments and investment restrictions applicable to the scheme, including those that are applicable by virtue of the Code on Collective Investment Schemes;

- (b) except where no property is to be vested in the trustee for the scheme, provisions creating a trust, or containing a declaration of trust, and setting out full particulars of the trust, including precise information as to the circumstances in which the money, marketable securities, **securities-based derivatives or units in a collective investment scheme**, investments and other property subject to the trust are or will be vested in the trustee, and the duties and obligations of the trustee towards the participants in the scheme;
- (c) provisions for and specifying full particulars with respect to —
 - (i) the retirement, removal and replacement of the trustee for the scheme;
 - (ii) the retirement, removal and replacement of the manager for the scheme;
 - (iii) the appointment, retirement, removal and replacement of the auditor of the accounts relating to the scheme; and
 - (iv) the duration, if ascertainable, of the scheme or, if the duration is not ascertainable, a statement of that fact;
- (d) where the scheme invests in property that tends to depreciate in value through use or effluxion of time, provisions regarding particulars of the provision made or to be made for the replacement of that property and the source or sources from which the replacement is to be made or from which the cost of the replacement is to be

met or, if no provision is or is to be made, a statement of that fact;

(e) provisions specifying full particulars of —

- (i) the method of determining the price at which a unit in the scheme may be sold by the manager for the scheme;
- (ii) the circumstances in which the manager for the scheme or any other person may be required to purchase from a participant in the scheme any unit subscribed for or acquired by the participant and the method of determining the price at which the unit is to be purchased;
- (iii) the method of valuation of investments comprised in the scheme and the time of day when valuation is to be made;
- (iv) the circumstances in which, and methods by which, all or any of the investments or other property comprising or forming part of the scheme may be varied;
- (v) the conditions governing the transfer of units in the scheme;
- (vi) the conditions governing the distribution of income to the participants;
- (vii) the remuneration of the trustee for the scheme and of the manager for the scheme and the manner in which that remuneration is provided; and
- (viii) any other fees or charges payable by the scheme or participants;

(f) provisions requiring the prior approval of the trustee for any changes to the particulars to which sub-paragraph

- (e)(i), (ii) or (iii) relate, and requiring the trustee to determine if the participants should be informed of such changes;
- (g) provisions relating to the convening of meetings of the participants;
- (h) provisions incorporating, whether by way of annex or otherwise, the terms and form of any agreement which the trust deed requires, or confers a right on, the participants to enter into in connection with the scheme;
- (i) provisions relating to details of the scheme's borrowing limit and borrowing powers, including stock borrowings;
- (j) provisions specifying the party to whom interest on monies held by the manager for the scheme pending payment to the approved trustee should accrue;
- (k) where applicable, provisions regarding a regular savings plan incorporated into the scheme or enabling such a plan to be incorporated; and
- (l) where the trust deed is capable of modification, provisions relating to the modification of the trust deed.

Penalty for breach of covenant

10.—(1) Where a collective investment scheme is authorised under section 286(1) of the Act, any person who fails to comply with any covenant referred to in regulation 8(2)(a) or (b) which is included in the trust deed of the collective investment scheme, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

(2) Section 333(1) of the Act shall not apply to any offence under paragraph (1).

Division 4 — Application for Authorisation and Recognition of Collective Investment Schemes Forms for authorisation and recognition, etc.

10A.—(1) An application to the Authority for authorisation of a collective investment scheme under section 286(1) of the Act shall be made in Form 1.

(2) Where there is any change in any particular submitted to the Authority by way of Form 1 in relation to any collective investment scheme authorised under section 286 of the Act, the responsible person for the collective investment scheme shall notify the Authority of the matter using Form 1-A.

(3) An application to the Authority by the responsible person for a collective investment scheme authorised under section 286 of the Act to withdraw the authorisation of the collective investment scheme under section 288(7) of the Act, shall be made in Form 1-A.

(4) A notice to the Authority by the responsible person for a collective investment scheme authorised under section 286 of the Act of a proposed winding up of the collective investment scheme under section 295(1) of the Act, shall be given in Form 1-A.

(5) An application to the Authority for recognition of a collective investment scheme constituted outside Singapore under section 287(1) of the Act shall be made in Form 2.

(6) Where there is any change in any particular submitted to the Authority by way of Form 2 in relation to any collective investment scheme recognised under section 287 of the Act, the responsible person for the collective investment scheme shall notify the Authority of the matter using Form 2-A.

(7) An application to the Authority by the responsible person for a collective investment scheme recognised under section 287 of the Act to withdraw the recognition of the collective investment scheme under section 288(7) of the Act, shall be made in Form 2-A.

(8) A notice to the Authority by the responsible person for a collective investment scheme recognised under section 287 of the Act of a proposed winding up of the collective investment scheme under section 295(1) of the Act, shall be given in Form 2-A.

[S 494/2014 wef 29/07/2014]

Criteria for recognition

10B.—(1) For the purposes of section 287(2)(b) of the Act, the Authority may have regard to the following factors in determining whether to recognise a collective investment scheme:

- (a) the investment policy of the scheme;
- (b) the provisions contained in the trust deed or the constituent document of the scheme;
- (c) the roles, responsibilities and powers of the trustee or a person in an equivalent capacity, as set out in the trust deed, constituent documents, or the laws and practices of the jurisdiction under which the scheme is constituted; and
- (d) whether the factors set out in sub-paragraphs (a), (b) and (c), collectively or individually, afford to investors in Singapore protection at least equivalent to that provided to them for comparable authorised schemes under Division 2 of Part XIII of the Act.

PART III

PROSPECTUS REQUIREMENTS

Division 1 — Form and Content

Contents of prospectus

11. For the purposes of section 296(1) of the Act, a prospectus in respect of units in a collective investment scheme shall be

prepared in accordance with the requirements set out in the Third Schedule.

Information that may be omitted from preliminary document

12. For the purposes of section 296(1B) of the Act, the information set out in the Fourth Schedule may be omitted from a preliminary document under the circumstances specified, if any, in relation to that information in that Schedule.

Contents of profile statement

13.—(1) For the purposes of section 296(2) of the Act, a profile statement in respect of units in a collective investment scheme shall contain —

- (a) a statement that copies of the prospectus are available for collection at the times and places specified in the profile statement; and
- (b) a statement that the persons referred to in section 296(2A) of the Act who have signed the profile statement are satisfied that the profile statement contains a fair summary of the key information in the prospectus.

(2) A profile statement shall not contain —

- (a) any statement or matter that is false or misleading in the form and context in which it is included;
- (b) any material information that is not contained in the prospectus; and
- (c) any material information that differs in any material particular from that set out in the prospectus.

Supplementary document and replacement document

14.—(1) The supplementary document or replacement document to be lodged with the Authority under section 298 of the Act shall be signed —

- (a) if the person making the offer of units in a collective investment scheme is the responsible person for the scheme, by every director or equivalent person of the responsible person and every person who is named therein as a proposed director or an equivalent person of the responsible person; and
- (b) if the person making the offer of units in a collective investment scheme is not the responsible person for the scheme —

(i) where the responsible person is controlled by —

- (A) the person making the offer;
- (B) one or more of the related parties of the person making the offer; or
- (C) the person making the offer and one or more of his related parties,

by the persons referred to in sub-paragraph (a) and the persons referred to in sub-paragraph (ii)(A) or (B), as the case may be; and

(ii) in any other case —

- (A) if that person is an entity, by every director or equivalent person of that entity; or
- (B) if that person is an individual, by the individual or a person authorised by him in writing.

(2) A requirement under paragraph (1) for the supplementary document or replacement document to be signed by a director or

an equivalent person is satisfied if the supplementary document or replacement document is signed —

- (a) by that director or equivalent person; or
- (b) by a person who is authorised in writing by that director or equivalent person to sign on his behalf.

(3) A requirement under paragraph (1) for the supplementary document or replacement document to be signed by a person named therein as a proposed director or an equivalent person is satisfied if the supplementary document or replacement document is signed —

- (a) by that proposed director or equivalent person; or
- (b) by a person who is authorised in writing by that proposed director or equivalent person to sign on his behalf.

15. [Deleted by S 469/2012 wef 01/10/2012]

General requirements for documents lodged with Authority

16.—(1) Except as otherwise provided in the Act or these Regulations, a document to be lodged with the Authority under Division 2 of Part XIII of the Act or these Regulations shall be lodged in electronic form and shall comply with the following requirements:

- (a) the document shall be in portable document format (PDF) or such other format as the Authority may from time to time allow; and

[S 494/2014 wef 29/07/2014]

- (b) the document shall be lodged using the Authority's Internet website at <http://www.mas.gov.sg> (under "OPERA"), or at <https://opera.mas.gov.sg>, or by submitting to the Authority such medium which contains the document, as the Authority may from time to time allow.

[S 494/2014 wef 29/07/2014]

(c) [Deleted by S 494/2014 wef 29/07/2014]

(2) When a document is lodged with the Authority in electronic form under paragraph (1), an electronic image of each of the following shall be lodged with or submitted to the Authority together with the document:

- (a) every signature on or accompanying the document;
- (b) any duly signed form which is part of or which accompanies the document;
- (c) any duly signed statement or letter required under the Act or these Regulations to be lodged or submitted together with the document.

(3) An electronic image to be lodged with or submitted to the Authority under paragraph (2) shall comply with the following requirements:

- (a) the electronic image shall be in portable document format (PDF) or such other format as the Authority may from time to time allow; and

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- (b) the electronic image shall be lodged or submitted using the Authority's Internet website at <http://www.mas.gov.sg> (under "OPERA"), or at <https://opera.mas.gov.sg>, or by submitting to the Authority such medium which contains the electronic image, as the Authority may from time to time allow.

[S 494/2014 wef 29/07/2014]

(c) [Deleted by S 494/2014 wef 29/07/2014]

(4) [Deleted by S 494/2014 wef 29/07/2014]

(5) The fee payable to the Authority in respect of the lodgment of a document with the Authority shall be paid at the time the document is lodged.

Form or medium of document

17.—(1) A person who lodges any of the following documents under regulation 16(1) shall also provide a copy of that document in paper form to the Authority, if the Authority so requests:

- (a) a prospectus;
- (b) a profile statement;
- (c) a supplementary document;
- (d) a replacement document;
- (e) an offer information statement under section 305B of the Act.

[S 469/2012 wef 01/10/2012]

[S 494/2014 wef 29/07/2014]

(2) A copy of any document in paper form required under paragraph (1) —

- (a) shall comply with the following requirements:
 - (i) the copy of the document shall be on paper that is 297 millimetres in length and 210 millimetres in breadth (A4 paper size); and
 - (ii) the contents of the copy of the document shall be legible; and
- (b) shall be accompanied by a true and complete electronic image of a signed statement of —
 - (i) in a case where the person making the offer is an individual —
 - (A) the person making the offer;

- (B) a person authorised in writing by him; or
- (C) an advocate and solicitor acting on his behalf;
or
- (ii) in a case where the person making the offer is an entity —
 - (A) a director or an equivalent person of the entity;
 - (B) a person authorised in writing by a director or an equivalent person of the entity; or
 - (C) an advocate and solicitor on behalf of the entity, verifying that the copy of the document in paper form is a true copy of the document lodged with the Authority under regulation 16(1).

(3) The electronic image of the signed statement under paragraph (2)(b) shall comply with the requirements of regulation 16(3).

Authorisation to be submitted

18.—(1) Where any document lodged with the Authority under Division 2 of Part XIII of the Act or any statement referred to in regulation 17(2)(b) is signed —

- (a) in a case where the person making the offer is an individual, by a person authorised in writing by the individual; or
- (b) in a case where the person making the offer is an entity, by a person authorised in writing by a director or an equivalent person, or a proposed director or an equivalent person, of the entity,

a true and complete electronic image of the authorisation shall be submitted to the Authority, together with the document lodged with the Authority or statement, as the case may be.

[S 469/2012 wef 01/10/2012]

(2) The electronic image of the authorisation under paragraph (1) shall comply with the requirements of regulation 16(3).

Making false statement an offence

19. Any person who makes a statement verifying any matter under this Division which he knows or has reason to believe to be false or does not believe to be true, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000.

Division 2 — Advertising requirements for purposes of section 300 of Act

Subdivision (1) — Requirements for advertisements or publications for the purposes of section 300(3C) of Act *Application of this Subdivision*

Application of this Subdivision

20. This Subdivision shall apply, for the purposes of section 300(3C) of the Act, to an advertisement or a publication in relation to a collective investment scheme which is published or disseminated after a prospectus or profile statement is registered with the Authority.

Advertisement shall not be false or misleading

21.—(1) An advertisement or a publication in relation to a collective investment scheme shall not contain any information —

(a) that is false or misleading; or

(b) that cannot be justified on the facts known to the person responsible for the advertisement or publication,

at the time the advertisement or publication is published.

(2) An advertisement or publication in relation to a collective investment scheme shall not, whether by the prominence given to

specific information or otherwise, create a false or misleading impression as to the collective investment scheme in question.

Legibility and audibility of advertisements

22.—(1) Where an advertisement or publication in relation to a collective investment scheme is in a visual form the information required under regulations 23 to 29 to be contained in the advertisement or publication —

- (a) shall be clearly legible; and
- (b) in the case of an advertisement or publication appearing in any document, including any newspaper, periodical, magazine or letter, electronic mail or website, shall be in a font size of at least 10-point Times New Roman.

(2) Where an advertisement or publication in relation to a collective investment scheme in a visual form contains a footnote, the footnote shall —

- (a) be in a font size which is at least half the font size of the word or statement to which it relates; and
- (b) in the case of an advertisement or publication appearing in any document, including any newspaper, periodical, magazine or letter, electronic mail or website, be in a font

size which is at least 10-point Times New Roman but which need not be larger than 14-point Times New Roman.

(3) Where an advertisement or publication in relation to a collective investment scheme is broadcast by means of any radio, television or audio-visual broadcasting service, or shown in any cinema, the information required under regulation 23(a)(iii) and (iv) to be contained in the advertisement or publication shall —

- (a) if the advertisement or publication is in audio or audio-visual form, be read audibly; or

- (b) if the advertisement or publication is only in visual form, be visually displayed for at least 5 seconds.

Contents of advertisement where units in collective investment scheme are already offered

23. If an offer in respect of units in a collective investment scheme is made at the time an advertisement or publication in relation to the scheme is advertised or published, the advertisement or publication

—

(a) shall state —

- (i) that a prospectus or profile statement in relation to the scheme is available;
 - (ii) how a copy of the prospectus or profile statement may be obtained;
 - (iii) that a potential investor should read the prospectus or profile statement before deciding whether to subscribe for or purchase units in the scheme; and
 - (iv) that the value of the units in the scheme and the income accruing to the units, if any, may fall or rise;
- (b) shall state the name of the responsible person for the scheme if the advertisement or publication does not otherwise clearly identify that person;
- (c) shall, where the name of the scheme is not indicative of the scheme's investment objectives and focus, state the scheme's investment objectives and focus;
- (d) shall, where the advertisement or publication includes a quotation expressing acclaim or approval for or recommending the scheme or the responsible person for the scheme, state the source of such quotation;

- (e) shall not, where there is no guarantee or warranty given as to —
 - (i) the protection of the principal sum which a participant invests in the scheme (whether including or excluding the subscription fee); or
 - (ii) the rate of return on the scheme, use words such as “guarantee”, “warranty” or any other expression suggesting that the principal sum invested in or rate of return on the scheme is guaranteed, or that a participant cannot lose money;
- (f) shall, where the scheme is represented as a guaranteed scheme, state the name of the guarantor;
- (g) shall, where the scheme is a hedge fund or other high risk fund, indicate that an investment in the scheme involves a high degree of risk, and that investment in such a scheme is only appropriate for a person able and willing to take such a risk; and
- (h) shall, where the units of the scheme are listed or where an application has been or will be made for such units to be listed for quotation on the official list of any **securities approved** exchange, and all or most investors may only deal in the units through the **securities approved** exchange, include —
 - (i) a statement that investors cannot redeem the units with the manager for the scheme or that investors may only redeem units with the manager for the scheme under certain specified conditions; and
 - (ii) a statement that the listing of the units does not guarantee a liquid market for the units.

Contents of advertisement where units in collective investment scheme are not yet offered

24. Where no offer in respect of units in a collective investment scheme has been made at the time an advertisement or publication in relation to the scheme is advertised or published, but it is reasonably likely that such an offer will be made, the advertisement or publication shall —

(a) state —

- (i) that a prospectus or profile statement in relation to the scheme will be made available when the offer or invitation is made;
- (ii) when the prospectus or profile statement is expected to be made available;
- (iii) how a copy of the prospectus or profile statement may be obtained;
- (iv) that a potential investor should read the prospectus or profile statement before deciding whether to subscribe for or purchase units in the scheme; and
- (v) that the value of the units in the scheme and the income accruing to the units, if any, may fall or rise; and

(b) comply with the requirements under regulation 23(b) to (h).

Past performance of collective investment scheme

25.—(1) If an advertisement or publication in relation to a collective investment scheme includes information on the past performance of the scheme, the advertisement or publication shall —

- (a) include a prominent statement that the past performance of the scheme is not necessarily indicative of the future performance of the scheme;

- (b) state the return on the scheme, calculated on an offer-to-bid basis illustrated in the Fifth Schedule or on a single pricing basis (taking into account any subscription fee and realisation fee), and include a statement that the return is calculated on that basis;
- (c) where dividends have been declared or distributions have been made by the scheme, state the return on the scheme, calculated on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment, and include a statement that the return is calculated on that assumption;
- (d) present the return on the scheme in relation to a period –
 - (i) which shall not be less than one year or, in the case of a scheme which has been constituted for less than 12 months, which shall commence from the inception of the scheme;
 - (ii) the last day of which shall not be earlier than 3 months prior to the day on which the advertisement or publication is advertised or published; and
 - (iii) the first day and last day of which shall be determined on either of the following bases:
 - (A) the first business day or last business day of a month; or
 - (B) the first dealing day or last dealing day of the scheme in a month.
- (e) where the total return on the scheme for a period exceeding one year is presented, state the average annual compounded return on the scheme over the same period

calculated in the manner illustrated in the Fifth Schedule;
and

- (f) indicate the period to which the return on the scheme relates.

(2) For the purposes of the calculation referred to in paragraph (1)(b), where the realisation fee for a collective investment scheme depends on the duration that a participant owns units in the scheme, the realisation fee taken into account shall be that which applies for the duration for which the return is calculated.

(3) For the purposes of paragraph (1), where a scheme which has been constituted for less than 12 months invests at least 90% of its funds in another collective investment scheme (referred to in this regulation as the underlying fund), information on the past performance of the underlying fund may be included in the advertisement or publication, but not otherwise.

(4) Where information on the past performance of an underlying fund is included in an advertisement or publication in relation to a collective investment scheme, the advertisement or publication shall —

- (a) include an appropriate warning regarding its limitations as a proxy for the past performance of the scheme; and
- (b) comply with paragraph (1) as though the information on the past performance of the underlying fund were information on the past performance of the scheme.

(5) Where any information on the past performance of a collective investment scheme is included in an advertisement or publication in relation to that scheme, and that past performance is due to exceptional circumstances which may not be sustainable, the advertisement or publication shall include a prominent warning statement to that effect.

(6) In paragraph (5), “exceptional circumstances” include, but are not limited to —

- (a) an investment in an initial public offer of securities, securities-based derivative contracts or units in a collective investment scheme which has a large impact on the return on the scheme but where such return is unlikely to be sustained; and
- (b) a high annual return for a particular year where the scheme has, or schemes with a similar investment focus have, yielded a much lower historical long term average annual compounded return.

(7) Subject to paragraph (8), An advertisement or publication in relation to a collective investment scheme shall not contain any information on past performance based on simulated results of a hypothetical collective investment scheme.

(8) Paragraph (7) shall not apply to the inclusion of pro forma financial information in an advertisement or publication in relation to a collective investment scheme that —

- (a) is or has applied to the Authority to be authorised under section 286 or recognised under section 287 of the SFA;
- (b) is a trust;
- (c) invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investments Schemes; and
- (d) has applied to an approved exchange for all or any of its units to be listed for quotation.

Comparison of past performance of collective investment scheme with that of another collective investment scheme or an index

26.—(1) Where an advertisement or publication in relation to a collective investment scheme includes a comparison of the past performance of the scheme with that of another collective investment scheme —

- (a) such other collective investment scheme must have investment objectives and an investment focus which are similar to those of the first-mentioned scheme; and
- (b) the comparison must be made on an offer-to-bid basis and that basis shall be stated in the advertisement or publication.

(2) Where an advertisement or publication in relation to a collective investment scheme includes a comparison of the past performance of the scheme with that of an index —

- (a) such index must be the benchmark for the scheme or an index which reflects the investment focus of the scheme; and
- (b) the comparison must be made on an offer-to-bid basis or a bid-to-bid basis and the basis on which the comparison is made shall be stated in the advertisement or publication.

(3) Any comparison of the past performance of a collective investment scheme with that of another collective investment scheme or with an index must be made using a common currency and, where the currency of the first-mentioned scheme is different from the currency of the second-mentioned scheme or index, conversion to the common currency must be based on prevailing exchange rates at the relevant time.

(4) The requirements set out in regulation 25 shall apply to any collective investment scheme in respect of which any comparison of past performance is made under this regulation.

Comparison of past performance of collective investment scheme with that of another form of investment

27.—(1) Where an advertisement or publication in relation to a collective investment scheme includes a comparison of the past performance of the scheme with that of another form of investment —

- (a) such other form of investment must have a risk profile which is similar to that of the scheme; and
- (b) the comparison must be made on an offer-to-bid basis and that basis shall be stated in the advertisement or publication.

(2) The requirements set out in regulation 25 shall apply to any collective investment scheme in respect of which any comparison of past performance is made under this regulation.

Performance of manager or submanager

28.—(1) Where an advertisement or publication in relation to a collective investment scheme includes any information on the past or present performance, skills or techniques of the manager for the scheme or a person managing the property of the scheme on behalf of the manager (referred to in this regulation as a submanager), the advertisement or publication shall —

- (a) state the source of such information, if the source is not the manager for the scheme;
- (b) indicate the period to which such information relates; and
- (c) include a prominent statement that the past performance of the manager or submanager is not necessarily indicative of its future performance.

(2) An advertisement or publication in relation to a collective investment scheme must not present information on the past or

present performance, skills or techniques of the manager or submanager for the collective investment scheme, or the past or present performance of any other collective investment scheme under the management of the manager or submanager, in a selective or biased way, such that any particular success is exaggerated or any lack of success is disguised.

Future performance of collective investment scheme

29.—(1) Subject to paragraph (3), an advertisement or publication in relation to a collective investment scheme must not —

- (a) include any prediction, projection or forecast as to the future or likely performance of the scheme; or
- (b) use words such as “targeted” or “expected” or any similar words or description in relation to a rate of return.

(2) An advertisement or publication in relation to a collective investment scheme may include a prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets which are targeted by the scheme, but such prediction, projection or forecast must be accompanied by a prominent statement to the effect that the prediction, projection or forecast is not necessarily indicative of the future or likely performance of the scheme.

(3) An advertisement or publication in relation to a collective investment scheme that is a ~~real estate investment trust trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes~~ may include a forecast or projection prior to or during an offer of units in the scheme for which a prospectus is required, provided that —

- (a) if the forecasted or projected yields of the units in the scheme are stated in percentage terms —

- (i) such yields are presented on an annualised basis; and
 - (ii) it is prominently stated in the advertisement or publication that such yields are calculated based on a stated reference price or stated reference prices and that such yields will vary accordingly for investors who purchase units in the secondary market at a price higher or lower than the stated reference price or prices; and
- (b) the advertisement or publication clearly refers to the assumptions, as set out in the prospectus, underlying such forecast or projection.

[S 469/2012 wef 01/10/2012]

(4) Where the return on a collective investment scheme is guaranteed, or where the use of a prediction, projection or forecast as to the future performance of the scheme has been allowed by the Authority under paragraph (3), the return, prediction, projection or forecast shall be presented on an average annual compounded basis.

Subdivision (2) — Requirements for advertisements or publications for the purposes of section 300 (4) of Act

Applicability of Subdivision (2) to advertisements or publications referred to in section 300(4) of Act

30.—(1) For the purposes of section 300(4)(a) of the Act, an advertisement or publication which is in respect of an offer of units in a ~~real estate investment trust collective investment scheme that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes~~, and which consists solely of a disclosure, notice or report required under the Act, or any listing rules or other requirements of ~~a securities exchange, futures-an approved~~ exchange

or recognised ~~securities approved~~ exchange, shall comply with the requirements under regulations 28 and 29.

[S 469/2012 wef 01/10/2012]

(2) For the purposes of section 300(4)(aa) of the Act, an advertisement or publication which is in respect of an offer of units in a ~~real estate investment trust collective investment scheme that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes~~, and which consists solely of a notice or report of a meeting or proposed meeting of the participants of the scheme, or a general meeting or proposed general meeting of the person making the offer, the responsible person or any entity, shall comply with the requirements under regulations 28 and 29.

[S 469/2012 wef 01/10/2012]

Report about units in collective investment scheme published and delivered to institutional investors

31. The report referred to in section 300(4)(e) of the Act is a report about the units in the collective investment scheme which are the subject of the offer or intended offer, published and delivered to any institutional investor not later than 14 days prior to the date of lodgment of the prospectus, provided that the person issuing the report —

- (a) shall assign a specific number to each copy of the report;
- (b) shall keep a record of each person to whom he has distributed a copy of the report and the number referred to in paragraph (a) of the copy distributed to that person;
- (c) shall include on the front cover of each copy of the report —
 - (i) the number referred to in paragraph (a) which is assigned to that copy of the report;

- (ii) a prominent statement that the report is distributed to institutional investors only;
- (iii) a prominent statement that the information contained in the report should not be disclosed by the recipient of the report to any other person;
- (iv) a prominent disclosure on the nature of any material interest in, or any material interest in the issue or sale of, the units in the collective investment scheme that are the subject of the report that he has as at the date of the report; and
- (v) a prominent disclosure on any relationship between him and the person making the offer of the units in the collective investment scheme which is material in the context of the offer; (d) shall not —
 - (i) distribute any copy of the report; or
 - (ii) disclose any information contained in the report (other than information that is publicly available prior to the date of the report),
 to any person other than an institutional investor; and
- (e) shall take all other reasonable steps as are necessary to prevent the leakage of information contained in the report (other than information that is publicly available prior to the date of the report) to any person who is not an institutional investor, including any person who, in the ordinary course of business, publishes a newspaper, periodical or magazine, or broadcasts by radio, television or other means of broadcasting or communication.

[S 469/2012 wef 01/10/2012]

PART IV

NOTIFICATION OF OFFERS OF UNITS
IN RESTRICTED SCHEMES

**Extent to which Subdivisions (2) and (3) in Division 2 of
Part XIII of Act apply to restricted schemes**

32. For the purposes of section 305(1) and (2) of the Act —

- (a) sections 285 to 288, 294, 295 and 296 of the Act shall not apply to a restricted scheme except as modified and set out in paragraphs 1 to 8 of the Sixth Schedule;

[S 191/2013 wef 01/07/2013]

- (b) sections 289 to 292 of the Act shall not apply to a restricted scheme constituted in Singapore except with the modification that a reference to section 286 of the Act shall be read as a reference to paragraph 3 of the Sixth Schedule; and

- (c) section 293 of the Act shall apply to a restricted scheme.

[S 420/2009 wef 01/10/2009]

PART IVA

PRESCRIBED MANNER OF NOTICE UNDER SECTION
295A

Prescribed manner of notice

32A.—(1) For the purposes of section 295A(1) of the Act, a notice given by a transferee to a dissenting participant of the subject trust that the transferee desires to acquire his units shall be in Form 7, and shall —

- (a) be delivered to the dissenting participant personally;
or

- (b) be left at or sent by prepaid post to the address of the dissenting participant shown in the register of

participants in the subject trust referred to in regulation 7(1)(e).

(2) For the purposes of section 295A(4)(a) of the Act, a notice given by a transferee to a participant of the subject trust who has not assented to the arrangement or contract shall be in Form 8, and shall —

- (a) be delivered to the participant personally; or
- (b) be left at or sent by prepaid post to the address of the participant shown in the register of participants in the subject trust referred to in regulation 7(1)(e).

[S 179/2010 wef 29/03/2010]

PART V

EXEMPTIONS

Determination of closely related offer for small offer and private placement

33.—(1) For the purposes of sections 302B(5) and 302C(3) of the Act, an offer of units in a collective investment scheme (other than a ~~real estate investment trust collective investment scheme that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes~~) is a closely related offer in relation to —

- (b) an offer of units in another collective investment scheme (other than a ~~real estate investment trust collective investment scheme that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes~~); or

[S 469/2012 wef 01/10/2012]

- (c) an offer of asset-backed securities or structured notes, if any person who makes or is a sponsor of the first-mentioned offer also —
 - (i) makes or is a sponsor of the second-mentioned offer; or
 - (ii) is a related corporation or related entity of the person who makes or is a sponsor of the second-mentioned offer.

[S 469/2012 wef 01/10/2012]

(2) For the purposes of sections 302B(5) and 302C(3) of the Act, an offer of units in a ~~real estate investment trust collective investment scheme that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes~~ is a closely related offer in relation to —

- (a) an offer of units in another ~~real estate investment trust collective investment scheme that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes~~;
- (b) an offer of shares or units of shares of a corporation;
- (c) an offer of debentures or units of debentures (other than asset-backed securities and structured notes) of an entity; or
- (d) an offer of units or derivatives of units in a business trust, if —
 - (i) both offers form part of a single plan of financing;
 - (ii) both offers are made for the primary benefit of the same person or persons; or
 - (iii) both offers are made in connection with the same business or in relation to a common business venture.

[S 469/2012 wef 01/10/2012]

(3) In considering whether both offers meet the requirements of sub-paragraph (i), (ii) or (iii) of paragraph (2)(d), regard shall be had to —

- (a) the intended usage of the net proceeds raised from each offer; and
- (b) the person or persons with the right to determine how the net proceeds raised from each offer are to be used.

(4) In paragraphs (1) and (2) —

“asset-backed securities” has the same meaning as defined in section 262 of the Act;

“related corporation” and “related entity” have the same meanings as in paragraph 1 of the Fourth Schedule to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 (G.N. No. S 611/2005);

“sponsor”, in relation to an offer of asset-backed securities or structured notes, has the same meaning as in regulation 28(4) of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005;

“structured notes” has the same meaning as in regulation 2(1) of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005.

Contents of offer information statement under section 305B of Act

34.—(1) For the purposes of section 305B of the Act, an offer information statement in respect of a ~~real estate investment trust collective investment scheme that is a trust and that invests primarily in real estate and real estate related assets specified by the Authority in the Code on Collective Investment Schemes~~ shall be prepared in accordance with the requirements set out in the Seventh Schedule.

(2) The Authority may require any document, report or other material to be filed together with an offer information statement.

(3) An offer information statement to be lodged with the Authority under section 305B of the Act shall be signed —

(a) where the person making the offer of units in a collective investment scheme is the responsible person for the scheme, by every director or equivalent person of the responsible person and every person who is named therein as a proposed director or an equivalent person of the responsible person; and

(b) where the person making the offer of units in a collective investment scheme is not the responsible person for the scheme —

(i) if the responsible person is controlled by —

(A) the person making the offer;

(B) one or more of the related parties of the person making the offer; or

(C) the person making the offer and one or more of his related parties,

by the persons referred to in sub-paragraph (a) and the persons referred to in sub-paragraph (ii)(A) or (B), as the case may be; and

(ii) in any other case —

(A) if that person is an entity, by every director or equivalent person of that entity; or

(B) if that person is an individual, by the individual or a person authorised by him in writing.

(4) A requirement under paragraph (3) for the offer information statement to be signed by a director or an equivalent person is satisfied if the offer information statement is signed — (a) by that director or equivalent person; or

(b) by a person who is authorised in writing by that director or equivalent person to sign on his behalf.

(5) A requirement under paragraph (3) for the offer information statement to be signed by a person named therein as a proposed director or an equivalent person is satisfied if the offer information statement is signed —

(a) by that proposed director or equivalent person; or

(b) by a person who is authorised in writing by that proposed director or equivalent person to sign on his behalf.

Exemption from requirement for expert's consent under section 249(1) of Act

35.—(1) Section 249(1) of the Act read with section 302 of the Act shall not apply to a prospectus or profile statement which includes a relevant statement if —

(a) the prospectus or profile statement relates to an offer of units in a collective investment scheme; and

(b) the conditions referred to in paragraph (3) are satisfied.

(2) Section 249(1) of the Act read with section 305B(4) of the Act and, notwithstanding regulation 34(1), paragraphs 36 and 37 of the Seventh Schedule shall not apply to an offer information statement under section 305B(1) of the Act which includes a relevant statement if —

(a) the offer information statement relates to an offer of units in a collective investment scheme; and

(b) the conditions referred to in paragraph (3) are satisfied.

(3) The conditions referred to in paragraphs (1) and (2) are that —

(a) the relevant statement —

- (i) is not made by the expert in connection with the offer concerned in the prospectus or profile statement or the offer information statement, as the case may be;
- (ii) is not made by the expert for the sole benefit of the collective investment scheme concerned; and
- (iii) does not relate specifically to the affairs of the collective investment scheme concerned;

(b) the expert is a person whom the persons signing the prospectus or profile statement or the offer information statement, as the case may be, reasonably believe to be an expert who —

- (i) has no material interest in the success of the issue or sale of the units; and
- (ii) is not acting at the instigation of, or by arrangement with, the collective investment scheme concerned, the manager for the scheme, the trustee for the scheme, a director or an equivalent person of the scheme, manager or trustee, a proposed director or an equivalent person of the scheme, manager or trustee, or a person who has a material interest in the success of the issue or sale of the units;

(c) the relevant statement is a correct and fair copy or a representation of, or an extract from, a statement made or information published by a source which the persons signing the prospectus or profile statement or the offer information statement, as the case may be, reasonably believe to be reliable; and

(d) wherever the relevant statement appears in the prospectus or profile statement or the offer information statement, there shall be included in the prospectus, profile statement or offer information statement, as the case may be —

- (i) a statement that the expert has not consented to the inclusion of the relevant statement for the purposes of section 249 of the Act (read with section 302(1) or 305B(4) of the Act, as the case may be), and is therefore not liable for the relevant statement under sections 253 and 254 of the Act (read with section 302(1) or 305B(4) of the Act, as the case may be);
- (ii) any disclaimer made by the expert in relation to reliance on the contents of the relevant statement which the persons signing the prospectus, profile statement or offer information statement, as the case may be, are reasonably aware;
- (iii) a statement as to whether the persons signing the prospectus, profile statement or offer information statement, as the case may be, have verified the accuracy of the contents of the relevant statement;
- (iv) a statement as to whether the persons signing the prospectus, profile statement or offer information statement, as the case may be, have included the relevant statement in its proper form and context in the prospectus, profile statement or offer information statement, as the case may be; and
- (v) a proper citation identifying the source of, and the location within the source of, the relevant statement, including, where available, the following details of the source:

(A) each author or editor;

- (B) the title;
- (C) the publication date and every revision date;
and
- (D) where the source is published on an Internet website, the uniform resource locator (URL) and version date.

(4) In this regulation, “relevant statement” means a statement purporting to be made by, or to be based on a statement made by, an expert.

[S 469/2012 wef 01/10/2012]

Exemption from sections 304A(1) and 305A(1), (2) and (3) of Act

36. Sections 304A(1) and 305A(1), (2) and (3) of the Act shall not apply where the units in a collective investment scheme acquired are of the same class as other units in the scheme —

(a) in respect of which —

- (i) an offer has previously been made in; or
- (ii) the listing for quotation has previously been accompanied by,

an offer information statement, an introductory document, a unitholders’ circular for a reverse takeover, a document issued for the purposes of a trust scheme or other similar document approved by ~~a securities~~ an approved exchange; and

(b) which are listed for quotation on ~~a securities~~ an approved exchange.

[S 469/2012 wef 01/10/2012]

Exemption for offer to existing participants

37.—(1) Subdivision (3) of Division 2 of Part XIII of the Act shall not apply to any person who makes an offer of units in a collective investment scheme where —

- (a) the offer is made to any existing participant of the scheme; and
- (b) the units being offered are uniform in all respects with units previously issued to and currently owned by the existing participant.

[S 469/2012 wef 01/10/2012]

(2) Subdivision (3) of Division 2 of Part XIII of the Act shall not apply to a responsible person of a **real estate investment trust** ~~collective investment scheme—~~

- ~~(a) that is a trust;~~
- ~~(b) that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes; and~~
- ~~(c) all or any of the units of which are listed for quotation on a securities exchange;~~

who makes an offer of units in the scheme to existing participants of the scheme.

[S 469/2012 wef 01/10/2012]

PART VI

EXTRA-TERRITORIAL APPLICATION OF DIVISION 2 OF PART XIII OF ACT

Non-applicability of section 339(2) of Act under certain circumstances

38.—(1) Section 339(2) of the Act does not apply to an offer of units in a collective investment scheme made outside Singapore if —

- (a) the number of enquiries or applications from persons in Singapore in response to such offer is insubstantial;
- (b) the number of persons in Singapore to whom the offer is made is insubstantial;
- (c) the number of persons in Singapore to whom the units which are the subject of the offer are issued is insubstantial; and
- (d) the contributions of the participants in Singapore pursuant to the offer is insubstantial.

(2) Notwithstanding that an offer referred to in paragraph (1) does not satisfy the conditions in that paragraph, section 339(2) of the Act does not apply to that offer if —

- (a) the offer is not denominated in Singapore dollars;
- (b) there are in place proper systems or procedures to prevent persons in Singapore from subscribing for or purchasing the units, and adequate checks to ensure that these systems or procedures are effective;
- (c) the offer is not made to or directed at persons in Singapore, whether electronically or otherwise;
- (d) there is in place a prominent disclaimer in relation to the offer comprising a statement referred to in paragraph (3);
- (e) the materials used for the offer do not contain any information which is specifically relevant to persons in Singapore; and
- (f) the offer is not referred to in, or directly accessible from, any source which is intended for persons in Singapore.

(3) For the purposes of paragraph (2)(d), the disclaimer must comprise a statement to the effect that the offer to which it relates —

- (a) is made to or directed at only persons outside Singapore; and
 - (b) may be acted upon only by persons outside Singapore.
- (4) In this regulation, “offer” includes an advertisement of such an offer.

PART VII

REVOCATION, TRANSITIONAL AND SAVINGS

Revocation

39. The Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations (Rg 2) are revoked.

Prospectus, etc., lodged in compliance with Regulations in force immediately before date of commencement of these Regulations

40.—(1) Notwithstanding anything in these Regulations —

- (a) any prospectus that was lodged with the Authority before the date of commencement of these Regulations; and
- (b) any amendment to a prospectus referred to in sub-paragraph (a) which is or was lodged with the Authority, whether before, on or after the date of commencement of these Regulations,

which contains the particulars set out in the Third Schedule to the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations (Rg 2, 2004 Ed.) in force immediately before the date of commencement of these Regulations shall be treated as if it contains the particulars set out in the Third Schedule to these Regulations.

(2) In paragraph (1), “prospectus” includes a supplementary prospectus or replacement prospectus lodged with the Authority in

respect of a prospectus at any time after the registration of the prospectus by the Authority.

41. [Deleted by S 420/2009 wef 01/10/2009]

FIRST SCHEDULE

Regulations 4 and 6

FEES

<i>No.</i>	<i>Provision of Act or Regulations</i>	<i>Matter</i>	<i>Amount</i>
1	Section 286(1)	For every application to the Authority for authorisation of a collective investment scheme. For the avoidance of doubt, in the case of umbrella funds, the application fee will be charged on a per sub-fund basis.	\$1,200
2	Section 287(1)	For every application to the Authority for recognition of a collective investment scheme. For the avoidance of doubt, in the case of umbrella funds, the application fee will be charged on a per sub-fund basis.	\$1,200

3	Section 289(1)	For every application to the Authority for approval to act as a trustee for collective investment schemes.	\$500
4	Regulation 6	For the year that a public company is approved to act as trustee for collective investment schemes and each year that the public company continues to be so approved.	\$2,000
5.	Section 296(1)	For lodgment of — (a) any prospectus in respect of a collective investment scheme where — (i) a prospectus in respect of an offer or invitation of units in such collective investment scheme has, in the 12 months preceding the lodgment, been previously registered	\$1,000

by the
Authority;
or

(ii) that scheme
is a sub-fund
of an
existing
umbrella
fund and a
prospectus in
respect of
other sub-
funds of that
umbrella
fund has, in
the 12
months
preceding
the
lodgment,
been
previously
registered by
the
Authority; or

(b) any other
prospectus. \$2,000

To avoid doubt, the
lodgment fee will
be charged on a per
prospectus basis,
regardless of the
number of schemes
or sub-funds in
each prospectus.

6 Section 296(2) For lodgment of —

(a) any profile
statement in
respect of a \$350

collective
investment
scheme
where —

- (i) a profile statement in respect of an offer or invitation of units in such collective investment scheme has, in the 12 months preceding the lodgment, been previously registered by the Authority; or
- (ii) that scheme is a sub-fund of an existing umbrella fund and a profile statement in respect of other sub-funds of that umbrella fund has, in the 12

		months preceding the lodgment, been previously registered by the Authority; or	
		(b) any other profile statement.	\$600
		For the avoidance of doubt, the lodgment fee will be charged on a per profile statement basis, regardless of the number of schemes or sub-funds in each profile statement.	
7.	Section 296(6C)	For lodgment of any amendment to —	
		(a) a prospectus; or	\$1,000
		(b) a profile statement.	\$600
		To avoid doubt, the lodgment fee will be charged on a per prospectus or profile statement basis, regardless of the number of schemes or sub-funds in each prospectus or profile statement, as the case may be.	

8	Section 298(1) and (2)	For lodgment of any supplementary or replacement prospectus. For the avoidance of doubt, the lodgment fee will be charged on a per supplementary or replacement prospectus basis, regardless of the number of schemes or sub-funds in each supplementary or replacement prospectus, as the case may be.	\$2,000
9	Section 298(1) and (2)	For lodgment of any supplementary or replacement profile statement. For the avoidance of doubt, the lodgment fee will be charged on a per supplementary or replacement profile statement basis, regardless of the number of schemes or sub-funds in each supplementary or replacement profile statement, as the case may be.	\$600
10.	Paragraph 2(1) of the Sixth	For every notification of an	\$250

	Schedule to these Regulations	offer of units in a restricted scheme submitted to the Authority ~~except a restricted non-capital markets products scheme.~~	
10A.	Paragraph 2A of the Sixth Schedule to these Regulations	For every submission of information required for a restricted non-capital markets products scheme to the Authority.	\$250
11.	Paragraph 6 of the Sixth Schedule to these Regulations	For every annual declaration in respect of a restricted Singapore scheme, ~~or~~ restricted foreign scheme ~~or restricted non-capital markets products scheme~~ lodged with the Authority.	\$50
12	—	For lodgment of any other document with the Authority, where the fee is not specified in this Schedule.	\$10
13	Section 302 (read with section 247 (1))	For every application to the Authority for an exemption from requirements as to form and content of	\$50

		a prospectus or profile statement.	
14	Section 302 (read with section 249(3))	For every application to the Authority for an exemption from section 249 of the Act.	\$100
15	Section 300(9)	For every application to the Authority for an exemption from section 300 of the Act.	\$100
16	Section 305B(1)(a)	For lodgment of any offer information statement.	\$420
17	Section 305B(3)	For every application to the Authority for the modification of the form and content of the offer information statement.	\$50
18	Section 306(1)	For every application to the Authority for an exemption from all or any of the provisions of Division 2 of Part XIII of the Act or any regulations made thereunder.	\$100
19	Section 317	For supplying a photographic or microprint copy of, or extract from, any	\$1 for each page or

		record kept by the Authority.	part thereof
20	Section 317	For supplying and certifying a photographic or microprint copy of, or extract from, any record kept by the Authority.	\$2 for each page or part thereof.

The fees specified in items 19 and 20 are inclusive of the goods and services tax chargeable under the Goods and Services Tax Act (Cap. 117A). No goods and services tax is chargeable for the other items.

[S 888/2014 wef 02/01/2015]

[S 469/2012 wef 01/10/2012]

[S 420/2009 wef 01/10/2009]

SECOND SCHEDULE

Regulation 8(4)(d)

REQUIREMENTS RELATING TO THE PURCHASE OF UNITS FROM PARTICIPANTS IN A COLLECTIVE INVESTMENT SCHEME BY THE MANAGER FOR THE SCHEME IN THE CIRCUMSTANCES SET OUT IN REGULATION 8(4)(d)

1. Where any offer to purchase units in a collective investment scheme (referred to in this Schedule as the Scheme) is required to be made as a result of the occurrence of an event referred to in sub-paragraph (d)(i) or (ii) of regulation 8(4), the manager for the Scheme shall, subject to paragraph 10 of this Schedule —

- (a) make an announcement of the offer to all participants in the Scheme within 16 days after the occurrence of the event; and
- (b) make the offer within 30 days after the occurrence of the event.

2. Where any offer to purchase units in the Scheme is made, at least 10% of the total value of the assets of the Scheme shall be made available to satisfy purchase requests received by the manager for the Scheme from the participants in the Scheme pursuant to the offer.

3. The manager for the Scheme shall give adequate notice to all participants in the Scheme of any offer to purchase units in the Scheme.

4. Any offer to purchase units in the Scheme shall state —

- (a) the indicative price at which each unit will be purchased;
- (b) the period during which the offer will remain open;
- (c) the assets and borrowings of the Scheme which are to be made available to satisfy purchase requests received by the manager for the Scheme from the participants in the Scheme pursuant to the offer and, in the case of non-cash assets, the amount of cash that is expected to be available from the sale of such assets;
- (d) that —
 - (i) if the total amount of cash (including cash from the sale of noncash assets and borrowings, if any) which is to be made available to satisfy purchase requests made by the participants in the Scheme pursuant to the offer (referred to in this Schedule as the total available amount of cash) is sufficient to satisfy all purchase requests received by the manager for the Scheme from the participants in the Scheme pursuant to the offer, all purchase requests will be satisfied in full; and

- (ii) if the total available amount of cash is insufficient to satisfy all purchase requests made by the participants in the Scheme pursuant to the offer, the purchase requests will be satisfied on a pro-rata basis in proportion to the number of units which is the subject of each purchase request;
- (e) that the actual price at which units are to be purchased (as determined by reference to the latest available valuations of the assets of the Scheme, after deducting appropriate transaction costs) may differ from the indicative price referred to in sub-paragraph (a) due to changes in the value of the assets of the Scheme during the offer period;
- (f) that a participant in the Scheme shall, when making a purchase request, state whether he wishes to proceed with the purchase if his purchase request cannot be satisfied in full;
- (g) that purchase requests made by participants in the Scheme pursuant to the offer will be satisfied within 30 days after the closing date of the offer unless such period is extended in accordance with paragraph 7 of this Schedule; and
- (h) that the offer may be withdrawn in accordance with paragraph 9 of this Schedule.

5. Where any offer to purchase units in the Scheme is made as a result of the occurrence of an event specified in —

- (a) sub-paragraph (d)(i) of regulation 8(4), the offer shall remain open for a period of not less than 21 days but not more than 35 days, except where trading in the units in the Scheme resumes as specified in paragraph 10 of this Schedule, in which case the manager shall comply with that paragraph; or
- (b) sub-paragraph (d)(ii) of regulation 8(4), the offer shall remain open for a period of not less than 21 days but not more than 35 days.

6. No purchase request made by a participant in the Scheme pursuant to any offer to purchase units in the Scheme shall be satisfied until after the closing date of the offer.

7. All purchase requests made by the participants in the Scheme pursuant to any offer to purchase units in the Scheme shall be satisfied within 30 days after the closing date of the offer, but such period may be extended —

- (a) to 60 days after the closing date of the offer if the manager for the Scheme satisfies the trustee for the Scheme that such extension is in the best interest of the participants in the Scheme; or

(b) beyond 60 days after the closing date of the offer if such period of extension is approved by all participants in the Scheme.

8. Where the total available amount of cash is sufficient to satisfy all purchase requests made by the participants in the Scheme pursuant to the offer, all purchase requests shall be satisfied in full.

9. Where the total available amount of cash is insufficient to satisfy all purchase requests made by the participants in the Scheme pursuant to the offer, the purchase requests shall be satisfied on a pro-rata basis, in proportion to the number of units in the Scheme which is the subject of each purchase request.

10. Where trading in the units in the Scheme resumes on a ~~a-securities an~~ approved exchange within 30 days after the occurrence of the event specified in sub-paragraph (d)(i) of regulation 8(4) —

(a) the manager for the Scheme need not make an offer to purchase units in the Scheme; or

(b) if the manager for the Scheme has, prior to the resumption of trading in the units in the Scheme, made such an offer, the offer may be withdrawn by the manager, subject to the manager satisfying all purchase requests made by the participants in the Scheme pursuant to the offer which were received by the manager before the withdrawal of the offer.

11. Where any offer to purchase units in the Scheme has been made as a result of the occurrence of an event specified in sub-paragraph (d)(i) or (ii) of regulation 8(4), the manager for the Scheme shall offer to purchase units in the Scheme at least once every year from the closing date of the last offer to purchase units and, in the case of the event specified in sub-paragraph (d)(i) of regulation 8(4), an offer shall continue to be made with that frequency for as long as trading in the units in the Scheme does not resume on ~~a-securities an~~ approved exchange.

THIRD SCHEDULE

Regulation 11

REQUIREMENTS FOR PREPARATION OF A PROSPECTUS (UNDER SECTION 296(1) OF THE ACT) FOR AN OFFER OF UNITS IN A COLLECTIVE INVESTMENT SCHEME

Part

I	Basic information
II	The Manager
III	The Representative
IV	The Trustee (or the custodian)
V	Other parties
VI	Structure of the Scheme
VII	Investment objectives, focus and approach
VIII	Collective investment scheme included under the CPF Investment Scheme
IX	Fees and charges
X	Risks
XI	Subscription of units
XII	Regular savings plan (RSP)
XIII	Realisation of units
XIV	Switching of units
XV	Obtaining prices of units
XVI	Suspension of dealings
XVII	Performance of the Scheme
XVIII	Soft dollar commissions/arrangements
XIX	Conflict of interests
XX	Reports
XXI	Specialised collective investment scheme
XXII	Queries and complaints

I — BASIC INFORMATION

1. State the name of the collective investment scheme (referred to in this Schedule as the Scheme) on the front cover of the prospectus.
2. State the date of registration and expiry date of the prospectus.
3. State the place of constitution of the Scheme.
4. Where the Scheme is constituted as a unit trust, provide a list of the current trust deed and supplemental deeds (if any) and their corresponding dates, as well as information on where these may be inspected. Where the Scheme is not constituted as a unit trust, state where the constituent documents of the Scheme may be inspected.
5. In the case of an existing scheme, state where the latest semi-annual accounts or annual accounts, and semi-annual report or annual report, may be obtained. 5A. In relation to a prospectus that is lodged with the Authority pursuant to section 296(1) of the Act on or after 1st July 2013, state the method of valuation adopted in respect of the investments of the Scheme.

[S 191/2013 wef 01/07/2013]

6. State the following disclaimer:

“The collective investment scheme offered in this prospectus is {an authorised/a recognised*} scheme under the Securities and Futures Act. A copy of this prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the prospectus. Registration of the prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the collective investment scheme.”.

* to state accordingly.

7. Where the Scheme is one that is granted recognition under section 287 of the Act —

- (a) state that the Scheme is constituted outside Singapore;
- (b) state the place of constitution of the Scheme; and

- (c) in the case where the prospectus includes and incorporates an offer document in respect of the Scheme registered outside Singapore, provide a statement to that effect,

on the front cover of the prospectus.

8. Provide a table of contents.

II — MANAGER

9. State the name and address of the manager for the Scheme (referred to in this Schedule as the Manager).

9A. In relation to a prospectus that is lodged with the Authority pursuant to section 296(1) of the Act on or after 1st July 2013, with respect to each of the directors and key executives of the Manager, state the names, details of relevant past working experience, educational and professional qualifications, if any, and areas of expertise or responsibility in the Manager.

[S 191/2013 wef 01/07/2013]

9B. In relation to a prospectus that is lodged with the Authority pursuant to section 296(1) of the Act on or after 1st July 2013, where the Manager delegates continued any of its functions to a third-party, state the function that has been delegated and the name of the delegate.

[S 191/2013 wef 01/07/2013]

10. State the track record of the Manager. For this purpose —

- (a) state the number of years the Manager has managed collective investment schemes or discretionary funds, whether in Singapore or elsewhere (if applicable); and
- (b) where the Scheme invests in another scheme (referred to in this Schedule as the underlying fund) and such investment constitutes 30% or more of the asset value of the Scheme, or where 30% or more of the asset value of the Scheme is submanaged by another manager, state the track record of the manager for the underlying fund ¹ or submanager² respectively.

¹ For this purpose, the amount invested in underlying funds which are managed by fund management companies (FMCs) within the same group, or which are sub-funds of the same umbrella fund, should be aggregated. In such cases, either the track record of each FMC or the track record of the group may be disclosed. Where the Scheme invests substantially in more than one underlying fund managed by unrelated FMCs, state the information for each FMC (or group).

² For this purpose, the amount submanaged by FMCs within the same group should be aggregated. In such cases, either the track record of each submanager or the track record of the group may be disclosed. Where the Scheme is substantially submanaged by more than one unrelated submanagers, state the information for each submanager (or group).

10A. In relation to a prospectus that is lodged with the Authority pursuant to section 296(1) of the Act on or after 1st July 2013, state the name of the financial supervisory authority which licenses or regulates the Manager in its principal place of business and, where applicable, the name of the financial supervisory authority of the manager of the underlying fund referred to in paragraph 10(b) and of each submanager referred to in paragraph 10(b).

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III — THE REPRESENTATIVE

11. Where the Scheme is constituted outside Singapore, state the name and address of the representative for the Scheme.

IV — THE TRUSTEE (OR THE CUSTODIAN)

12. In relation to a prospectus that is lodged with the Authority pursuant to section 296(1) of the Act on or after 1st July 2013, state the names of the following:

- (a) where the Scheme is constituted as a unit trust, the name of the trustee for the Scheme (referred to in this Schedule as the Trustee), as well as (where the Trustee has delegated the safekeeping of the assets of the Scheme to a custodian) the name of the custodian;
- (b) where the Scheme is constituted other than as a unit trust, the name of the custodian.

12A. In relation to a prospectus that is lodged with the Authority pursuant to section 296(1) of the Act on or after 1st July 2013, state whether the Trustee or the custodian is licensed or regulated by any financial supervisory authority in its principal place of business and, if so, the name of the financial supervisory authority.

12B. In relation to a prospectus that is lodged with the Authority pursuant to section 296(1) of the Act on or after 1st July 2013, state the custodial arrangement in respect of the assets of the Scheme.

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V — OTHER PARTIES

13. State the name of the investment adviser³ (if any).

³ Person who advises the Manager in his management of the Scheme. The Manager retains full discretion over the investments of the Scheme.

14. State the name of the registrar for the Scheme and where the register of participants can be inspected.

15. State the name of the auditor for the Scheme.

VI — STRUCTURE OF THE SCHEME

16. State whether the Scheme is a single fund or umbrella fund.

17. Where the Scheme —

- (a) is a feeder fund, state the name, country of domicile and manager for each underlying fund;
- (b) is a fund of funds, state or give a summary of the countries of domicile and manager or managers for the underlying funds; or
- (c) is submanaged, state the name and country of domicile of the submanager.

VII — INVESTMENT OBJECTIVES, FOCUS AND APPROACH

18. State the Scheme's investment objectives (e.g. income or capital growth).

19. State the Scheme's investment focus. For this purpose, state —

- (a) the types of investment (e.g. whether equity, debt, money market or derivatives);
- (b) the countries or markets in which the Scheme invests (e.g. whether country-specific or global, emerging or developed markets); and (c) the target industry or sector, where applicable.

20. State the Manager's investment approach. For this purpose —

- (a) describe how the Manager or submanager selects investments for the portfolio of the Scheme, or, in the case of a fund of funds, how the Manager selects the underlying funds; and
- (b) where the Scheme invests substantially (i.e. 30% or more of the asset value of the Scheme) in another fund, disclose the investment approach of the manager for the underlying fund.

VIII — COLLECTIVE INVESTMENT SCHEME INCLUDED UNDER THE CPF INVESTMENT SCHEME

21. If the Scheme is included under the CPF Investment Scheme, state that fact and the risk classification of the Scheme.

IX — FEES AND CHARGES

22. Set out the fees and charges in a table, in the following order. Where there is a provision for a maximum fee or charge payable, state that maximum.

Payable by the investor

- (a) Subscription fee or preliminary charge;
- (b) Realisation fee;
- (c) Switching fee; (d) Any other fee.

Payable by the Scheme

- (a) Management fee;
- (b) Trustee fee (where the Scheme is constituted as a unit trust);
- (c) Fees charged by other funds which the Scheme invests in⁴, including —
 - (i) subscription fee or preliminary charge;
 - (ii) realisation fee;
 - (iii) management fee;
 - (iv) performance fee (if applicable);
 - (v) trustee or custodian fee;
 - (vi) any other substantial fee or charge (i.e. 0.1% or more of the underlying fund's asset value);
- (d) Performance fee (if applicable);
- (e) Guarantee fee (if applicable);
- (f) Any other substantial fee or charge (i.e. 0.1% or more of the Scheme's asset value).

Where a fee or charge in (f) is expected to be substantial but is currently indeterminable, state that fact and explain why it cannot be determined currently.

X — RISKS

23. Provide warning statements on the general risks of investing in the Scheme:

⁴ Where fees charged by the underlying fund are waived or where rebates are given for a limited period of time, state the period (where applicable) and include the gross fees payable by the Scheme.

Example 1: “Investment in a collective investment scheme is meant to produce returns over the long-term. Investors should not expect to obtain short-term gains from such investment.”;

Example 2: “Investors should be aware that the price of units in a collective investment scheme, and the income from them, may fall or rise. You may not get back your original investment.”.

24. State the risks specific to the Scheme. For this purpose —

- (a) describe and explain any major risk peculiar to the Scheme, including any risk arising from the markets, countries or sectors in which the Scheme invests:

Example 1: “The collective investment scheme’s assets will primarily be invested in securities of companies in developing countries and substantially all income will be received by the scheme in currencies of such countries. A number of the currencies of developing countries have experienced significant declines against the US Dollar and Singapore Dollar in recent years and depreciation may occur after the investment in these currencies by the scheme. The value of the assets of the scheme as measured in Singapore dollars would be affected unfavourably by any such depreciation, if and when they occur.”;

Example 2: “The economic prospects of healthcare industries are generally subject to greater influences from governmental policies and regulations than those of other industries. A substantial portion of healthcare services and related scientific research is funded or subsidised by government, and changes in governmental policies, such as reductions in the funding by third-party payment programs, may have a material effect on the demand for products and services of these industries. Regulatory approvals, which may often entail lengthy application and testing procedures, are generally required before new drugs and certain medical devices and procedures may be introduced.”;

- (b) where the Scheme has any investment(s) that are not denominated in the same currency as the units in the Scheme, disclose whether the Manager intends to hedge the foreign currency exposure and, if so, how it will do so (e.g. whether an active or passive hedging policy will be adopted);
- (c) where the Scheme is not denominated in Singapore dollars, disclose whether the Manager intends to fully hedge the foreign currency exposure and, if not, state that investors will be exposed to exchange rate risks; and
- (d) where the Scheme is exempted from the 10% single party limit under Appendix 1 of the Code on Collective Investment Schemes, state that fact and the risks of over-concentration.

XI — SUBSCRIPTION OF UNITS

25. State how units in the Scheme can be purchased and how they are to be paid for.

26. State the minimum initial subscription amount and minimum subsequent subscription amount.

27. In the case of a new scheme, state the initial purchase price and initial offer period.

28. State, in plain English, the dealing deadline and whether pricing is done on a forward or historical basis:

Example (for forward pricing): “If you buy before x p.m. on a business day, the price you pay will be based on the net asset value of the scheme at the close of that business day. If you buy after x p.m., the price you pay will be based on the net asset value at the close of the next business day.”.

29. Give a numerical example of how the number of units allotted to an investor under a single or dual pricing system is derived, based on an investment of \$1,000 or the minimum initial subscription amount:

Example 1 (for single pricing): “The number of units you receive with an investment of \$1,000 will be calculated as follows.”;

Example 2 (for dual pricing): “The number of units you receive with an investment of \$1,000 will be calculated as follows.”.

The example should illustrate the effect of all fees or charges payable by, and any discounts or bonus units given to, the investor. (Where a variety of discounts or bonus units are offered, the Manager should disclose that fact, but need only select one for the purpose of the example).

30. State the period within which a participant of the Scheme will be sent a confirmation of his purchase.

31. Where the launch of a new scheme or the continued operation of an existing scheme is conditional upon a minimum fund size, state that fact and the minimum fund size.

32. In the case of a new scheme where the Manager has a right not to proceed with the launch of the Scheme and to return the contributions of the applicants to the Scheme, state this fact, the circumstances under which this may occur (e.g. where a minimum fund size is not reached) and whether the refund will include any interest accrued.

33. Where there are 2 or more different classes of units available for subscription, describe the features of each class and the rights or obligations of participants in each class.

XII — REGULAR SAVINGS PLAN (RSP)

34. Provide details of any RSP, including the minimum amount of periodic contributions, when monies are deducted from the investor's account and when the units subscribed are allotted to the investor each month.

35. State that investors may cease participation in the RSP, without suffering any penalty, by notice in writing of a specified period to the Manager. That period should be no longer than the period between the regular subscriptions.

XIII — REALISATION OF UNITS

36. State how units in the Scheme can be redeemed or sold.

37. State the minimum holding amount and minimum realisation amount (if applicable).

38. State the dealing deadline and whether pricing is done on a forward or historical basis in plain English:

Example (for forward pricing): "If you sell before x p.m. on a business day, you will be paid a price based on the net asset value of the scheme at the close of that business day. If you sell after x p.m., you will be paid a price based on the net asset value at the close of the next business day."

39. Give a numerical example of how the amount paid to an investor under a single or dual pricing system is calculated, based on the sale of 1,000 units in the Scheme or the minimum realisation amount, and taking into account all fees or charges payable by the investor upon realisation.

40. State the period within which realisation proceeds will be paid to investors.

XIV — SWITCHING OF UNITS

- 41.** State the procedure for switching of units (where applicable).

XV — OBTAINING PRICES OF UNITS

- 42.** State how investors may obtain the buying and selling prices of units in the Scheme and the dealing days to which the prices apply. Where prices are available from certain publications or media in Singapore, state the names of such publications or media.

XVI — SUSPENSION OF DEALINGS

- 43.** Describe any exceptional circumstances under which the issue or redemption of units may be suspended.

XVII — PERFORMANCE OF THE SCHEME

Past performance of the Scheme (where applicable)

- 44.** Where the Scheme has been constituted —

- (a) for at least one year, disclose the return on the Scheme over the last one year and where applicable, the return on the Scheme over the last 3, 5 and 10 years and since the inception of the Scheme; or
- (b) for less than 12 months and —
 - (i) the Scheme invests substantially (i.e. 30% or more of the asset value of the Scheme) in an existing underlying fund with a track record of at least one year, disclose the performance of the underlying fund over the last one year and, where applicable, the return on the underlying fund over the last 3, 5 and 10 years and since the inception of the underlying fund, and state an appropriate warning regarding its limitations as a proxy for the performance of the Scheme; or
 - (ii) does not fall within sub-paragraph (i), state the fact that a track record of at least one year is not available.

- 45.** State the return on the Scheme calculated on an offer-to-bid or single pricing basis (taking into account any subscription fee and realisation fee) and include a statement that the return is calculated on this basis.

46. For the purposes of the calculation referred to in paragraph 45, where the realisation fee for the Scheme depends on the duration that a participant owns units in the Scheme, the realisation fee taken into account for the calculation shall be that which applies for the duration for which the return is calculated.

47. Where dividends have been declared or distributions have been made by the Scheme, state the return on the Scheme, calculated on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment, and include a statement that the return is calculated on this basis.

48. Where the total return on the Scheme is presented for a period exceeding one year, state the average annual compounded return on the Scheme over the same period.

49. Indicate the period to which the return on the Scheme relates, of which —

- (a) the last day of the period shall not be earlier than 3 months prior to the date of registration of the prospectus; and
- (b) the first day and last day of the period shall be determined on either of the following bases:
 - (i) the first business day or last business day of a month;
 - (ii) the first dealing day or last dealing day of the Scheme in a month.

50. Include an appropriate warning that any past performance of the Scheme is not necessarily indicative of the future performance of the Scheme.

51. **Subject to paragraph 51A, the prospectus must not contain any information on past performance based on simulated results of a hypothetical collective investment scheme.**

51A. Paragraph 51 shall not apply to the inclusion of pro forma financial information in relation to a collective investment trust that —

- (a) is or has applied to the Authority to be authorised under section 286 or recognised under section 287 of the SFA;**
- (b) is a trust;**
- (c) invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investments Schemes; and**
- (d) has applied to an approved exchange for all or any of its units to be listed for quotation.**

Comparison of past performance of the Scheme with that of another collective investment scheme or an index

52. Where the prospectus includes a comparison of the past performance of the Scheme with that of another collective investment scheme —

- (a) such other collective investment scheme must have investment objectives and an investment focus which are similar to those of the Scheme; and
- (b) the comparison must be made on an offer-to-bid basis and that basis shall be stated in the prospectus.

53. Where the prospectus includes a comparison of the past performance of the Scheme with that of an index —

- (a) such index must be the benchmark for the Scheme or an index which reflects the investment focus of the Scheme; and
- (b) the comparison must be made on an offer-to-bid basis or a bid-to-bid basis and the basis on which the comparison is made shall be stated in the prospectus.

54. Any comparison of the past performance of the Scheme with that of another collective investment scheme or with an index must be made using a common currency and where the currency of the scheme is different from the currency of the other collective investment scheme or the index, conversion to the common currency must be based on prevailing exchange rates at the relevant time.

55. Any comparison of the past performance of the Scheme with that of another collective investment scheme or with an index must be based on a period of not less than one year, except where the Scheme has been constituted for less than 12 months, in which case, any such comparison must be based on a period commencing from the inception of the Scheme.

56. Paragraphs 45 to 51 shall apply to any Scheme in respect of which any comparison of the past performance is made with that of another collective investment scheme or with an index.

Comparison of past performance of the Scheme with that of another form of investment

57. Where the prospectus includes any comparison of the past performance of the Scheme with that of another form of investment —

- (a) such other form of investment must have a risk profile which is similar to that of the Scheme; and
- (b) the comparison must be made on an offer-to-bid basis and such basis shall be stated in the prospectus.

58. Any comparison of the past performance of the Scheme and that of another form of investment must be based on a period of not less than one year, except where the Scheme has been constituted for less than 12 months, in which case, any such comparison must be based on a period commencing from the inception of the Scheme.

59. Paragraphs 45 to 51 shall apply to any Scheme in respect of which any comparison of the past performance is made with that of another form of investment.

Performance of the Manager or submanager

60. Where the prospectus includes any information on the past or present performance, skills or techniques of the Manager or the submanager for the Scheme —

- (a) state the source of such information, where the source is not the Manager;
- (b) indicate the period to which the information relates; and
- (c) include a prominent statement that the past performance of the Manager or submanager is not necessarily indicative of its future performance.

61. The prospectus must not present information on the past or present performance, skills or techniques of the Manager or submanager for the Scheme, or the past or present performance of any other collective investment scheme under the management of the Manager or submanager, in a selective or biased way, such that any particular success is exaggerated or any lack of success is disguised.

Future performance of the Scheme

62. Subject to paragraph 64, the prospectus must not —

- (a) include any prediction, projection or forecast as to the future or likely performance of the Scheme; or
- (b) use words such as “targeted” or “expected” or any similar words or description in relation to a rate of return.

63. The prospectus may include a prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets which are targeted by the Scheme but such prediction, projection or forecast must be accompanied by a prominent statement to the effect that the prediction, projection or forecast is not necessarily indicative of the future or likely performance of the Scheme.

64. Where the Scheme is one that is a ~~real estate investment trust trust and that invests primarily in real estate and real estate related assets specified by the Authority in the Code on Collective Investment Schemes~~, the prospectus may include a forecast or projection in relation to the Scheme provided that —

- (a) if the forecasted or projected yields of the units in the Scheme are stated in percentage terms —
 - (i) such yields are presented on an annualised basis; and
 - (ii) it is prominently stated in the prospectus that such yields are calculated based on the initial public offer price (stating such price) and that such yields will vary accordingly for investors who purchase units in the secondary market at a price higher or lower than the initial public offer price;
- (b) the assumptions underlying such forecast or projection are reasonable, and are stated clearly and explicitly in the prospectus; and
- (c) the forecast or projection is accompanied by the items referred to in paragraph 65.

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65. The items referred to in paragraph 64(c) are —

- (a) a statement by an auditor of the Scheme as to whether such forecast or projection is —
 - (i) properly prepared on the basis of the assumptions;
 - (ii) consistent with accounting policies adopted by the Manager in respect of the Scheme; and
 - (iii) presented in accordance with acceptable accounting standards adopted by the Manager in the preparation of the financial statements of the Scheme;
- (b) where —
 - (i) the forecast or projection is in respect of a period ending on a date not later than the end of the current financial year of the Scheme —
 - (A) a statement by the issue manager to the offer or any other person whose profession or reputation gives authority to the statement made by him, that the forecast or projection has been stated by the Manager after due and careful enquiry and consideration; or
 - (B) a statement by an auditor of the Scheme, prepared on the basis of his examination of the evidence supporting the assumptions and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be

approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the forecast or projection; or

(ii) the forecast or projection is in respect of a period ending on a date after the end of the current financial year of the Scheme —

(A) a statement by the issue manager to the offer or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the forecast or projection; or

(B) a statement by an auditor of the Scheme, prepared on the basis of his examination of the evidence supporting the assumptions and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the forecast or projection;

(c) a sensitivity analysis; and

(d) a confirmation from the Manager that the forecast or projection has been properly prepared on the basis of appropriate and reasonable assumptions.

66. Where the return on the Scheme is guaranteed or, where the use of a prediction, projection or forecast as to the future performance of the Scheme has been allowed by the Authority under paragraph 64, the return, prediction, projection or forecast shall be presented on an average annual compounded basis.

Performance of benchmark (where applicable)

67. Disclose the benchmark against which the Scheme's performance is or will be measured. If a customised benchmark or combination of multiple benchmarks is used, describe how the benchmark is derived.

68. In the case of an existing scheme, disclose the performance of the benchmark over the last 1, 3, 5 and 10 years and since inception of the Scheme (where applicable).

69. If there has been a change in benchmark at any point in the life of the Scheme, state the fact and explain the reason for the change.

70. Where no benchmark is used, explain why no benchmark is used.

Expense ratio

71. In the case of an existing scheme, state the expense ratio of the Scheme⁵, and state that the following expenses (where applicable) are excluded from the calculation:

- (a) brokerage and other transaction costs;
- (b) foreign exchange gains and losses;
- (c) front-end or back-end loads arising from the purchase or sale of other funds;
- (d) tax deducted at source or arising from income received.

Turnover ratio

72. In the case of an existing scheme, state the turnover of the portfolio⁶ of the Scheme.

XVIII — SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

73.—(a) In the case of a new scheme, state whether the Manager, submanager, manager of an underlying fund into which the Scheme invests more than 10% of its asset value or any other person who executes trades for the underlying fund receives or intends to receive soft dollars as defined in the Code on Collective Investment Schemes in respect of the Scheme or the underlying fund.

(b) In the case of an existing scheme in which a person mentioned in sub-paragraph (a) receives soft dollars in respect of the Scheme or the underlying fund, describe the soft dollars received in respect of the Scheme or underlying fund (where such information is available).

XIX — CONFLICT OF INTERESTS

⁵ The expense ratio should be calculated in accordance with the guidelines on the disclosure of expense ratios issued by the Investment Management Association of Singapore and based on figures in the Scheme's latest audited accounts.

⁶ The turnover ratio should be calculated in accordance with the Code on Collective Investment Schemes. Where the Scheme invests substantially into another fund, disclose the turnover ratio of the underlying fund and state clearly the period to which the ratio applies.

74.—(a) Describe any conflict of interests which exist or may arise in relation to the Scheme and its management. State whether these conflicts of interest will be resolved or mitigated and, if so, how they will be resolved or mitigated.

(b) The factors to be taken into account when determining if there is any conflict of interests to be described under sub-paragraph (a) include —

- (i) the nature and extent of the interests of the Trustee, Manager, investment adviser or submanager, or any of the directors of the Trustee, Manager, investment adviser or submanager, in respect of the Scheme or any property acquired or proposed to be acquired by the Scheme;
- (ii) any possibility of the Manager acquiring an interest in the Scheme;
- (iii) any affiliation between the Manager or submanager, or any of the directors of the Manager or submanager, and entities which provide services to the Scheme; and
- (iv) where the Manager or submanager manages other collective investment schemes with a similar investment focus, how orders for transactions of the same property are allocated between the schemes.

XX — REPORTS

75. State the financial year-end of the Scheme and when participants of the Scheme can expect to receive the semi-annual accounts, annual accounts, semi-annual reports and annual reports.

XXI — SPECIALISED COLLECTIVE INVESTMENT SCHEME

76. If the Scheme is a specialised collective investment scheme as referred to in the Code on Collective Investment Schemes, state the specific warnings or additional information required under such of Appendices 1 to 7 as may be applicable.

XXII — QUERIES AND COMPLAINTS

77. Provide a telephone number at which investors may contact the Manager or, where the Scheme is constituted outside Singapore, the Singapore representative to seek any clarification about the Scheme.

XXIII — OTHER MATERIAL INFORMATION

78. State all other material information which investors and their professional advisers would reasonably require and expect to find in the prospectus, for the purpose of making an informed decision about the merits and risks of the Scheme.

Appendix 1 — Property Funds

The prospectus of a property fund shall disclose the following:

- (a) whether the property fund will have proper diversification of its investments and if so, the particulars of the diversification;
- (b) where the property fund proposes to invest in a single real estate asset or where there is a high concentration of its investments in real estate, this fact and the risks arising from the lack of diversification;
- (c) the property fund's policy on divestment of assets, including whether the proceeds are to be returned to investors or to be re-invested;
- (d) the particulars of interested-party transactions as required by the Code on Collective Investment Schemes;

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(e) a statement in respect of the real estate assets proposed to be bought by the property fund, including the location (country or region) and type or types of real estate (e.g. whether residential, commercial or industrial); (f) [Deleted by S 469/2012 wef 01/10/2012]

- (g) where the property fund has identified specific real estate assets to be bought, the period within which each transaction will be completed;
- (h) details of the property fund's permissible investments;
- (i) where the property fund proposes to invest in real estate subject to the Residential Property Act (Cap. 274), the prohibition on investments by foreign investors;
- (j) the expertise and experience of the Manager or its employees in managing property funds or in investing in or advising on real estate;
- (k) the expertise and experience of the adviser (if any), including a statement detailing the functions of the adviser;
- (l) details of all fees or commissions payable to the Manager, adviser or any interested party;
- (m) the frequency of valuation of the property fund's real estate assets;
- (n) the risks of investing in the property fund, including —
 - (i) the general risks associated with investing in real estate;
 - (ii) the risks specific to investing in property funds;

- (iii) the particular risks of its proposed investments;
- (iv) in the case of an unlisted property fund, the risk that an investor is unable to sell his investment readily; and
- (v) in the case of a listed property fund exempted from the requirement to redeem, a clear statement to the effect that participants will have no right to request that the Manager redeem their units, and a warning to potential investors that being listed for quotation on the official list of any ~~securities-approved~~ exchange does not guarantee a liquid market for these units;
- (o) if applicable, the frequency of and procedure for redemption, the realisation fees payable (if any) and the period within which redemption proceeds will be paid to participants of the property fund; and
- (p) in the case of a listed property fund —
 - (i) where the initial purchase price of each unit is not the net asset value per unit of the assets of or to be acquired by the property fund, the premium or discount to net asset value;
 - (ii) the total number of units to be issued during the initial offer period;
 - (iii) a statement to the effect that an application has been or will be made to, or permission has been granted by, ~~a securities an approved~~ exchange for the units to be listed for quotation on that ~~securities-approved~~ exchange, and the name of the ~~securities-approved~~ exchange; and
 - (iv) if known, the dates on which units in the property fund will be listed for quotation on a ~~a securities an approved~~ exchange and the date on which trading will commence.

Appendix 2 — Money Market Funds

The first page of a money market fund (MMF) prospectus shall clearly state that —

- (a) the purchase of a unit in the MMF is not the same as placing funds on deposit with a bank or deposit-taking company;
- (b) although the Manager may seek to maintain or preserve the principal value of the MMF, there can be no assurance that the fund will be able to meet this objective; and
- (c) the MMF is not a guaranteed fund, in that there is no guarantee as to the amount of capital invested or return received.

In addition, the prospectus of an MMF shall disclose the maximum percentage of an MMF's deposited property that can be invested in derivatives for hedging, tactical asset allocation or efficient portfolio management.

Appendix 3 — Capital Guaranteed Funds

The prospectus of a capital guaranteed fund shall disclose the following:

- (a) the name and place of business of the guarantor, a brief description of its business, its financial position and its credit rating;
- (b) a statement that the guarantee does not give any assurance as to the future solvency of the guarantor itself;
- (c) the material terms of the guarantee, including the scope, validity and enforceability of the guarantee and, in particular, the circumstances under which the guarantee may be terminated, such as —
 - (i) if the guarantor goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation);
 - (ii) if any law is passed which renders the agreement for the guarantee illegal or which, in the opinion of the Trustee, renders it impracticable to continue with the guarantee; or
 - (iii) if the capital guaranteed fund is voluntarily terminated;
- (d) the consequence or implication to participants with regard to the guarantee —
 - (i) if the Manager retires, is removed or is replaced; or
 - (ii) if there is a change in the guarantor by virtue of paragraph 2.2 (b) or 2.3 (b) in the Guidelines for Capital Guaranteed Funds contained in the Code on Collective Investment Schemes;
- (e) if the guarantee is for only a limited duration, the expiry date of the guarantee, and whether or not that period commences from the date of the initial launch of the capital guaranteed fund or from the date of the participant's investment in the capital guaranteed fund;
- (f) where applicable, that the guarantee only applies to participants of the capital guaranteed fund who hold their investment until the date specified in the guarantee and that any redemption before such date would be based on the net asset value of the fund on that date;
- (g) whether or not the guarantee is in respect of 100% of the monies paid by the participants or only in respect of the amount actually paid into

the capital guaranteed fund (i.e. excluding any subscription fee or preliminary charge);

- (h) a statement to the effect that there may be a dilution of performance due to the guarantee structure being in place; and
- (i) any other matter relating to the guarantee that may be relevant to a potential investor in deciding whether or not to invest in the capital guaranteed fund.

Appendix 4 — Hedge Funds

The cover page of a hedge fund prospectus shall clearly state the following:

- (a) that unlike other types of collective investment schemes, the Code on Collective Investment Schemes does not prescribe investment guidelines for hedge funds;
- (b) that an investment in the hedge fund carries risks of a different nature from other types of collective investment schemes which invest in listed securities, **securities-based derivatives contracts or units in a collective investment scheme** and do not engage in short selling; and that the hedge fund may not be suitable for persons who are averse to such risks;
- (c) that in the case where the hedge fund is —
 - (i) not capital guaranteed or capital protected, investors may lose all or a large part of their investment in the hedge fund; or
 - (ii) capital guaranteed or capital protected, investors are subject to the credit risk of the guarantor or default risk of the issuer of the securities, **securities-based derivatives contracts or units in a collective investment scheme** providing the protection;
- (d) that an investment in the hedge fund is not intended to be a complete investment programme for any investor and prospective investors should carefully consider whether an investment in the hedge fund is suitable for them in the light of their own circumstances, financial resources and entire investment programme; and
- (e) the frequency of redemption and the period within which realisation proceeds will be paid to investors.

In addition, the prospectus of a hedge fund shall disclose the following:

- (a) the material differences between the hedge fund and other types of collective investment schemes;

- (b) details of the hedge fund's risk management and monitoring procedures and internal controls, and a statement from the manager that, in its view, the procedures and controls are sufficient for the management of the hedge fund in accordance with its objectives stated in the prospectus;
- (c) a statement that the liability of investors is limited to their investment in the hedge fund;
- (d) in the case of a single hedge fund, the extent to which it may be leveraged;
- (e) in the case of a hedge fund-of-funds —
 - (i) the strategies to be used to achieve diversification;
 - (ii) the criteria to be used to select underlying funds; and
 - (iii) the extent to which the underlying funds may be leveraged; and
- (f) in the case of a capital protected hedge fund or a capital guaranteed hedge fund, that the protection or guarantee is effective only at maturity of the hedge fund and if investors were to redeem their investment prematurely, there would be a risk of capital loss.

Appendix 5 — Futures and Options Funds

The first page of a futures and options fund prospectus shall clearly state that —

- (a) an investment in the futures and options fund carries risks of a different nature from other types of collective investment schemes which do not engage in short selling;
- (b) the futures and options fund may not be suitable for persons who are averse to such risks;
- (c) in the case where the futures and options fund is —
 - (i) not capital guaranteed, investors may lose all or a large part of their investment in the futures and options fund; or
 - (ii) capital guaranteed, investors are subject to the credit risk of the guarantor; and
- (d) an investment in the futures and options fund is not intended to be a complete investment programme for any investor and prospective investors should carefully consider whether an investment in the futures and options fund is suitable for them in the light of their own circumstances, financial resources and entire investment programme.

In addition, the prospectus of a futures and options fund shall disclose the following:

- (a) the type of financial futures contracts or financial options or gold, as may be applicable, that the futures and options fund will invest in;
- (b) the strategies to be used to achieve proper diversification; and
- (c) in the case of a dedicated futures and options fund as referred to in the Code on Collective Investment Schemes, that it will only invest in futures contracts or options concerning a single underlying financial instrument or commodity, or a specific class of underlying financial instruments or commodities, and the risks arising from the lack of diversification.

Appendix 6 — Currency Funds

The prospectus of a currency fund shall disclose the following:

- (a) where the currency fund intends to use currency derivatives such as forwards, swaps or options as part of its investment strategy —
 - (i) a prominent statement to that effect; and
 - (ii) the impact of the use of currency derivatives on the risk profile and volatility of the return of the currency fund;
- (b) the currency fund's quantitative risk management limits;
- (c) the Manager's risk management process;
- (d) the amount of the contract's underlying currencies, highly liquid currencies, eligible money market instruments ~~or~~ debt securities ~~or debt securities-based derivatives contracts~~ that the Manager intends to set aside to meet potential losses that could arise as a result of the currency fund's forward and swap contracts, and the type of currencies in which such instruments are denominated; and
- (e) the method used for determining the currency fund's exposure arising from a forward, swap, option or futures contract.

Appendix 7 — Recognised UCITS III Schemes and Authorised Schemes which invest substantially in underlying UCITS III Schemes

The prospectus of a recognised UCITS III scheme or an authorised scheme which invests substantially (i.e. 30% or more of the asset value of the scheme) in an underlying UCITS III scheme(s) shall disclose the following:

- (a) appropriate risk disclosures relating to the investment policies and portfolio management techniques of the recognised UCITS III scheme or each underlying UCITS III scheme;
- (b) where the recognised UCITS III scheme or underlying UCITS III scheme intends to use or invest in financial derivative instruments (hereinafter referred to as FDIs) —
 - (i) the types of FDIs that will be used and whether they are used for hedging, efficient portfolio management or investment purposes;
 - (ii) details of the risks associated with the use of FDIs;
 - (iii) the extent to which the recognised UCITS III scheme or each underlying UCITS III scheme may be leveraged through the use of FDIs;
 - (iv) any relevant quantitative limits on the use of FDIs; and
 - (v) the possible outcome of the use of FDIs on the risk profile of the recognised UCITS III scheme or each underlying UCITS III scheme;
- (c) where the recognised UCITS III scheme or underlying UCITS III scheme intends to use or invest in FDIs other than for the purposes of hedging and/or efficient portfolio management, a prominent statement drawing attention to this intention at the beginning of the prospectus;
- (d) where the net asset value of the recognised UCITS III scheme or underlying UCITS III scheme is likely to have a high volatility due to its investment policies or portfolio management techniques, a prominent statement drawing attention to this possibility; and
- (e) how investors may obtain supplementary information relating to the risk management methods employed by the recognised UCITS III scheme or underlying UCITS III scheme, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

FOURTH SCHEDULE

Regulation 12

INFORMATION THAT MAY BE OMITTED FROM A PRELIMINARY DOCUMENT

1. The date of registration of the prospectus, if and only if the front cover of the preliminary document includes the date of lodgment of the preliminary document.

2. The disclaimer required under paragraph 6 of Section I of the Third Schedule to these Regulations, if and only if the front cover of the preliminary document includes the following disclaimer:

“The collective investment scheme offered in this prospectus is {an authorised scheme/a recognised scheme/a scheme pending authorisation/a scheme pending recognition*} under the Securities and Futures Act. A copy of this preliminary document has been lodged with the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the preliminary document. Lodgment of the preliminary document with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements have been complied with.”.

* to state accordingly.

3. The initial purchase price of units in the collective investment scheme.

4. The initial offer period.

5. In the case of a listed property fund —

(a) the total number of units to be issued during the initial offer period.

(b) the dates on which units in the property fund will be listed for quotation or quoted on ~~a securities~~-an approved exchange or overseas ~~securities~~-exchange and on which trading will commence.

6. Any information which is dependent on the final determination of item 1, 3, 4 or 5.

7. Any other information as may be approved by the Authority in any particular case.

FIFTH SCHEDULE

Regulation 25(1)(b) and (e)

ILLUSTRATION

Assume the following prices for a unit in a scheme with —

- (a) a subscription fee of 2%; and
- (b) a realisation fee which starts at 3% in the first year and decreases by 1% every year that an investor holds his units:

		Bid	Offer
T	(date of advertisement)	\$1.50	\$1.53
T ₀	(a date no more than 3 months prior to T)	\$1.52	\$1.55
T ₃	(3 years prior to T ₀)	\$1.18	\$1.20
		\$0.98	\$1.00
T ₅	(5 years prior to T ₀)		

An advertisement of the scheme published on T could show one of the following:

- (1) TOTAL RETURN over the period from T₃ to T₀

FIFTH SCHEDULE

$$\begin{aligned}
 &= \left(\text{Bid price at } T_0, \text{ adjusted for realisation fee of 1\% in the 3rd year (BP}_1\text{)} - \text{Offer price at } T_3 \text{ (OP}_1\text{)} \right) \div \text{OP}_1 \\
 &= [\$1.50 - \$1.20] \div \$1.20 \\
 &= 25\%
 \end{aligned}$$

AVERAGE ANNUAL COMPOUNDED RETURN

over the period from T₃ to T₀

$$\begin{aligned}
 &= (\text{BP}_1 \div \text{OP}_1)^{1/3} - 1 \\
 &= (\$1.50 \div \$1.20)^{1/3} - 1 \\
 &= 7.7\%
 \end{aligned}$$

OR

- (2) TOTAL RETURN over the period from T₅ to T₀

$$\begin{aligned}
&= \left(\begin{array}{l} \text{Bid price at } T_0, \text{ with no adjustment} \\ \text{needed for realisation fee since it} \\ \text{would be 0\% in the 5th year (BP}_2\text{)} \end{array} - \begin{array}{l} \text{Offer price at} \\ T_5 \text{ (OP}_2\text{)} \end{array} \right) \div \text{OP}_2 \\
&= [\$1.52 - \$1.00] \div \$1.00 \\
&= 52\%
\end{aligned}$$

AVERAGE ANNUAL COMPOUNDED RETURN

over the period from T_5 to T_0

$$\begin{aligned}
&= (\text{BP}_2 \div \text{OP}_2)^{1/5} - 1 \\
&= (\$1.52 \div \$1.00)^{1/5} - 1 \\
&= 8.7\%
\end{aligned}$$

SIXTH SCHEDULE

Regulations 2(1) and 32

MODIFIED PROVISIONS FOR RESTRICTED SCHEMES

Offers of units in restricted schemes

1.—(1) No person shall make an offer of units in a restricted scheme unless —

(a) it is a restricted Singapore scheme, ~~or a restricted foreign scheme or a restricted non-capital markets products scheme~~; and

(b) the offer is made in or accompanied by an information memorandum —

(i) that complies with sub-paragraph (2); and

(ii) a copy of which is submitted to the Authority for record purposes.

[S 191/2013 wef 01/07/2013]

(2) An information memorandum issued in connection with an offer of units in a restricted scheme shall —

(a) except where the scheme is also authorised or recognised by the Authority under section 286 or 287 of the Act, as the case may be, contain the statement “the scheme is not authorised or recognised by the Authority and units in the scheme are not allowed to be offered to the retail public”;

(b) contain the statement “the information memorandum is not a prospectus as defined in the Act and, accordingly, statutory liability under the Act in relation to the content of prospectuses does not apply, and the offeree should consider carefully whether the investment is suitable for him”;
~~and~~

(c) state —

(i) the investment objectives and focus of the restricted scheme, and the investment approach of the manager for the scheme;

(ii) the risks of subscribing for or purchasing units in the restricted scheme;

(iii) whether the offer of units in the restricted scheme is regulated by any financial supervisory authority and, if so, the title and jurisdiction of the legislation under which the restricted scheme is regulated and the name and contact details of the authority;

- (iv) in the case of a restricted Singapore scheme, the name and place of incorporation of the manager for the scheme and, where applicable, the trustee or custodian for the scheme;
- (v) in the case of a restricted foreign scheme —
 - (A) where the scheme is a corporation —
 - (AA) its place of incorporation and business address; and
 - (AB) the name and place of incorporation or registration of the manager for the restricted foreign scheme and, where applicable, the trustee or custodian for the restricted foreign scheme; or
 - (B) where the scheme is not a corporation, the name and place of incorporation or registration of the manager for the restricted foreign scheme and, where applicable, the trustee or custodian for the restricted foreign scheme;
- (vi) whether the manager for the restricted scheme and, where applicable, the trustee or custodian for the restricted scheme, are regulated by any financial supervisory authority and, if so, the name and contact details of the authority;
- (vii) where applicable, the conditions, limits and gating structures for redemption of the units;
- (viii) where applicable, the policy of the restricted scheme regarding side letters that may further qualify the relationship between the restricted scheme and selected investors, and the nature and scope of such side letters;
- (ix) where applicable, the past performance of the restricted scheme, or where information on the past performance of the scheme may be obtained;
- (x) the details on where the accounts of the restricted scheme maybe obtained; ~~and~~
- (xi) the fees and charges payable by the investors and by the restricted scheme; ~~and~~

[S 191/2013 wef 01/07/2013]

- (d) where the scheme is a restricted non-capital markets products scheme, contain the statement “This offer is made in reliance on the exemption for restricted schemes under section 305 of the Securities and Futures Act. It has not been entered into a list of Restricted Schemes maintained by the Authority. The Authority has not approved the scheme or the manager in respect of the management of the scheme.”.

(2A) Where a person makes an offer of units in a restricted Singapore scheme or restricted foreign scheme that has been entered, before 1st July 2013, into the list of restricted schemes maintained by the Authority —

- (a) sub-paragraphs (1) and (2) shall only apply to the person from (and including) the due date of the next annual declaration in respect of the scheme (being a date that is on or after 1st July 2013) in relation to any offer made on or after that due date; and
- (b) sub-paragraphs (1) and (2) as in force immediately before 1st July 2013 shall continue to apply to the person prior to that due date in relation to any offer made before that due date.

[S 191/2013 wef 01/07/2013]

(3) Any person who contravenes sub-paragraph (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

List of restricted schemes

2.—(1) ~~Except for a restricted non-capital markets products scheme, A~~ a person who wishes to make an offer of units in a restricted scheme that has not been entered into the list of restricted schemes maintained by the Authority shall submit a notification of the offer to the Authority in such form and manner as may be specified in the Authority’s Internet website at <http://www.mas.gov.sg> (under “CISNet”), or at <https://masnetsvc2.mas.gov.sg/cisnet>.

[S 494/2014 wef 29/07/2014]

(2) Every notification referred to in sub-paragraph (1) shall be accompanied by such information or record as the Authority may require.

(3) The Authority may, upon receipt of the notification referred to in sub-paragraph (1) and in accordance with paragraph 3 or 4 (as the case may be), enter the restricted scheme into the list of restricted schemes maintained by the Authority.

(4) The Authority may publish for public information, in such manner as it considers appropriate —

- (a) the list of restricted schemes maintained by the Authority; and
- (b) the particulars of any restricted scheme that has been entered in the list of restricted schemes.

Restricted non-capital markets products scheme

2A.—(1) A person who wishes to make an offer of units in a restricted scheme that does not invest in capital markets products shall submit to the Authority information on the scheme in such form and manner as may be specified in the Authority's Internet website at <http://www.mas.gov.sg> (under "CISNet"), or at <https://masnetsvc2.mas.gov.sg/cisnet>;

(2) Every notification referred to in sub-paragraph (1) shall be accompanied by such information or record as the Authority may require.

(3) The responsible person for a restricted non-capital markets products scheme shall furnish such information or record regarding the scheme as the Authority may, at any time, require for the proper administration of the Act.

(4) Any person who contravenes sub-paragraph (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

Restricted Singapore schemes

3.—(1) The Authority shall not enter a restricted scheme which is constituted in Singapore into the list of restricted schemes maintained by the Authority unless the Authority is of the opinion that the following requirements are satisfied:

- (a) there is a manager for the scheme which is —
 - (i) licensed or regulated ~~to carry out fund management activities~~ in the jurisdiction of its principal place of business ~~to carry on business in~~ —
 - (A) real estate investment trust management, in respect of a restricted scheme that is a real estate investment trust; or
 - (B) fund management, in respect of a restricted scheme that invests in capital markets products; or

(iii) a public company that is exempted from the requirement to hold a capital markets services licence to carry on business in fund management under paragraph 5(1)~~(4)~~(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10);

(d) the manager for the scheme is a fit and proper person, and in considering if a person satisfies this requirement, the Authority may take into account any matter relating to —

(i) any person who is or will be employed by or associated with the manager;

(ii) any person exercising influence over the manager; or

(iii) any person exercising influence over a related corporation of the manager; and

(e) in the case of a scheme constituted as a unit trust, there is a trustee for the scheme approved under section 289 of the Act.

(2) The Authority may enter a restricted scheme which is constituted in Singapore, and which is not constituted as a unit trust, into the list of restricted schemes subject to such conditions or restrictions as it thinks fit.

(3) The Authority may, at any time, by notice in writing to the responsible person for a restricted Singapore scheme which is not constituted as a unit trust —

(a) vary any condition or restriction imposed under sub-paragraph (2); or

(b) impose such further condition or restriction as it may think fit.

(4) The Authority may refuse to enter a restricted scheme which is constituted in Singapore into the list of restricted schemes where it appears to the Authority that it is not in the public interest to do so.

(5) The Authority shall not refuse to enter a restricted scheme which is constituted in Singapore into the list of restricted schemes without giving the person who submitted the notification of the offer of units in the scheme an opportunity to be heard, except that an opportunity to be heard need not be given if the refusal is on the ground that it is not in the public interest to enter the scheme into the list of restricted schemes on the basis of any of the following circumstances:

- (a) any person who wishes to make the offer (being an entity), the responsible person or the scheme itself is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;
 - (b) any person who wishes to make the offer (being an individual) is an undischarged bankrupt, whether in Singapore or elsewhere;
 - (c) a receiver, a receiver and manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of any property of any person who wishes to make the offer (being an entity), the responsible person or the scheme.
- (6) The responsible person for a restricted scheme which is constituted in Singapore may, within 30 days after he is notified by the Authority that the Authority has refused to enter the scheme into the list of restricted schemes, appeal to the Minister whose decision shall be final.
- (7) The responsible person for a restricted Singapore scheme and the trustee for the scheme, to the extent applicable, shall ensure that the requirements set out in sub-paragraph (1) as applicable to that scheme shall continue to be satisfied.
- (8) The responsible person for a restricted Singapore scheme shall furnish such information or record regarding the scheme as the Authority may, at any time, require for the proper administration of the Act.
- (9) Where the manager for a restricted Singapore scheme which is constituted as a unit trust fails to comply with the Act, the Authority may direct the trustee for the scheme to remove that person and appoint a new manager for the scheme.
- (10) Any person who contravenes —
- (a) any condition or restriction imposed under sub-paragraph (2) or (3);
 - (b) sub-paragraph (7) or (8); or
 - (c) any direction of the Authority given under sub-paragraph (9), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

Restricted foreign schemes

4.—(1) The Authority shall not enter a restricted scheme which is constituted outside Singapore into the list of restricted schemes maintained by the Authority unless the Authority is of the opinion that there is a manager for the scheme which satisfies the following requirements:

- (a) the manager is licensed or regulated ~~to carry out fund management activities~~ in the jurisdiction of its principal place of business ~~to carry on business in –~~
 - (i) ~~real estate investment trust management or a comparable type of regulated activity in its principal place of business, in respect of a restricted scheme that is a real estate investment trust; or~~
 - (ii) ~~fund management, in respect of a restricted scheme that is a collective investment scheme that invests in capital markets products; and~~
- (b) the manager is a fit and proper person, and in considering if a person satisfies this requirement, the Authority may take into account any matter relating to –
 - (i) any person who is or will be employed by or associated with the manager;
 - (ii) any person exercising influence over the manager; or
 - (iii) any person exercising influence over a related corporation of the manager.

(2) The Authority may refuse to enter a restricted scheme which is constituted outside Singapore into the list of restricted schemes where it appears to the Authority that it is not in the public interest to do so.

(3) The Authority shall not refuse to enter a restricted scheme which is constituted outside Singapore into the list of restricted schemes without giving the person who submitted the notification of the offer of units in the scheme an opportunity to be heard, except that an opportunity to be heard need not be given if the refusal is on the ground that it is not in the public interest to enter the scheme into the list of restricted schemes on the basis of any of the following circumstances:

- (a) any person who wishes to make the offer (being an entity), the responsible person or the scheme itself is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;
- (b) any person who wishes to make the offer (being an individual) is an undischarged bankrupt, whether in Singapore or elsewhere;
- (c) a receiver, a receiver and manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of any property of any person who wishes to make the offer (being an entity), the responsible person or the scheme.

(4) The responsible person for a restricted scheme which is constituted outside Singapore may, within 30 days after he is notified by the Authority that the Authority has refused to enter the scheme into the list of restricted scheme, appeal to the Minister whose decision shall be final.

(5) The responsible person for a restricted foreign scheme shall ensure that the requirements set out in sub-paragraph (1) as applicable to that scheme shall continue to be satisfied.

(6) The responsible person for a restricted foreign scheme shall furnish such information or record regarding the scheme as the Authority may, at any time, require for the proper administration of the Act.

(7) Any person who contravenes sub-paragraph (5) or (6) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

Withdrawal or suspension

5.—(1) The Authority may withdraw a restricted Singapore scheme, or a restricted foreign scheme from the list of restricted schemes maintained by the Authority if —

- (a) any information or record submitted to the Authority, whether at the same time as or subsequent to the submission of the notification of the offer of units in the scheme, was false or misleading in a material particular or omitted a material particular which, had it been known to the Authority at the time of submission of the notification, would have resulted in the Authority not entering the scheme into the list of restricted schemes;
- (b) the Authority is of the opinion that the continued offer of units in the scheme is or will be against the public interest;
- (c) the Authority is of the opinion that the continued offer of units in the scheme is or will be prejudicial to its participants or potential participants;
- (d) in the case of —
 - (i) a restricted Singapore scheme, the responsible person for the scheme or the trustee for the scheme, where applicable, contravenes —
 - (A) any condition or restriction imposed under paragraph 3(2) or (3);

(B) paragraph 3(7) or (8); or

(C) any direction of the Authority given under paragraph 3(9); or

(ii) a restricted foreign scheme, the responsible person for the scheme contravenes paragraph 4(5) or (6); or

(e) the responsible person for a restricted Singapore scheme or a restricted foreign scheme fails to submit an annual declaration in respect of the scheme in accordance with paragraph 6.

(2) Notwithstanding sub-paragraph (1), the Authority may, if it considers it desirable to do so —

(a) instead of withdrawing a restricted Singapore scheme or a restricted foreign scheme from the list of restricted schemes, suspend the status of the scheme as a restricted Singapore scheme or a restricted foreign scheme (as the case may be) for such period as the Authority may determine; and

(b) at any time —

(i) extend the period of suspension; or(ii) revoke the suspension.

(3) Where the Authority decides to withdraw a restricted Singapore scheme or a restricted foreign scheme from the list of restricted schemes under sub-paragraph (1) or to suspend the status of a restricted scheme as a restricted Singapore scheme or a restricted foreign scheme under sub-paragraph (2), it shall notify the responsible person for the scheme.

(4) Subject to sub-paragraph (5), the Authority shall not —

(a) withdraw a restricted Singapore scheme or a restricted foreign scheme from the list of restricted schemes under sub-paragraph (1); or

(b) suspend the status of a restricted scheme as a restricted Singapore scheme or a restricted foreign scheme under sub-paragraph (2),

without giving the responsible person for the scheme an opportunity to be heard.

(5) An opportunity to be heard need not be given to the responsible person for a restricted scheme if the withdrawal or suspension of the scheme is on the ground that —

(a) permitting the restricted scheme to remain as a restricted Singapore scheme or a restricted foreign scheme is against the public interest on the basis of any of the following circumstances:

- (i) any person making an offer of units in the scheme (being an entity), the responsible person or the scheme itself is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;
 - (ii) any person making an offer of units in the scheme (being an individual) is an undischarged bankrupt, whether in Singapore or elsewhere;
 - (iii) a receiver, a receiver and manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of any property of any person making an offer of units in the scheme (being an entity), the responsible person or the scheme; or
 - (b) the responsible person for the restricted scheme has failed to submit an annual declaration in respect of the scheme in accordance with paragraph 6.
- (6) The responsible person for a restricted scheme may, within 30 days after he is notified that the Authority —
- (a) has withdrawn a restricted Singapore scheme or a restricted foreign scheme from the list of restricted schemes under sub-paragraph (1); or
 - (b) has suspended the status of a restricted scheme as a restricted Singapore scheme or a restricted foreign scheme under sub-paragraph (2),
- appeal to the Minister whose decision shall be final.
- (7) Where the Authority withdraws a restricted Singapore scheme or a restricted foreign scheme from the list of restricted schemes under sub-paragraph (1) or suspends the status of a restricted scheme as a restricted Singapore scheme or a restricted foreign scheme under sub-paragraph (2), the Authority may —
- (a) within a period of 28 days of the withdrawal or suspension, give directions to the responsible person of the scheme, as it deems appropriate, to protect investors; and
 - (b) publish a notice of the withdrawal or suspension, any direction given under sub-paragraph (a), and the reason therefor, in such manner as it considers appropriate.
- (8) Any responsible person who contravenes any direction of the Authority given under sub-paragraph (7)(a) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

Annual declaration by responsible person

6. The responsible person for a restricted Singapore scheme, ~~or~~ a restricted foreign scheme ~~or a restricted non-capital markets product scheme~~ shall lodge with the Authority an annual declaration in respect of the scheme in accordance with such requirements and in such manner as may be notified in writing by the Authority.

Winding up and termination

7.—(1) Where a restricted Singapore scheme, ~~or~~ a restricted foreign scheme, ~~or~~ a restricted scheme with terminated Singapore offers, ~~or a restricted non-capital markets products scheme~~, is wound up or otherwise dissolved, the responsible person for the scheme shall notify the Authority of this no later than 14 days after the winding up or dissolution.

(2) Where an offer of units in a restricted Singapore scheme, ~~or~~ a restricted foreign scheme ~~or a restricted non-capital markets products scheme~~ is terminated, the responsible person for the scheme shall notify the Authority of this no later than 14 days after the termination.

(3) The Authority may, upon being notified under sub-paragraph (1) or (2), remove the scheme from the list of restricted schemes maintained by the Authority.

(4) The Authority may, within a period of 28 days after being notified under sub-paragraph (1) or (2), give directions to the responsible person of the scheme, as it deems appropriate, to protect investors.

(5) The Authority may publish a notice of any direction given under sub-paragraph (4), and the reason therefor, in such manner as it considers appropriate.

(6) Any responsible person who contravenes —

(a) sub-paragraph (1) or (2); or

(b) any direction of the Authority given under sub-paragraph (4), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

(7) In this paragraph, “restricted scheme with terminated Singapore offers”, means a restricted scheme —

(a) which is or was a restricted Singapore scheme or a restricted foreign scheme;

- (b) where units acquired at the time it is or was such a scheme —
 - (i) were acquired by a relevant person or by a person in accordance with section 305(2) and (3) of the Act; and
 - (ii) continues to be held by such a person; and
- (c) in respect of which all offers of units have been terminated.

Service

8.—(1) Unless otherwise provided in this Schedule, any document relating to a restricted scheme required or authorised to be served shall be sufficiently served if served on the responsible person for the scheme at his last known address.

(2) Any notice or direction to be given or served by the Authority on a restricted scheme constituted as a corporation, or the manager or the trustee for a restricted scheme, shall for all purposes be regarded as duly given or served if it has been delivered or sent by post or facsimile transmission to such person at his last known address.

(3) In the case of a corporation, the last known address referred to in sub-paragraphs (1) and (2) shall be —

- (a) if it is a company incorporated in Singapore, the address of its registered office in Singapore; or
- (b) if it is a foreign company, the address of its registered office in Singapore or the registered address of its agent or, if it does not maintain a place of business in Singapore, its registered office in the place of its incorporation.

(4) The Authority may serve any notice of its decision in respect of the entry of a restricted scheme into the list of restricted schemes maintained by the Authority on a person by electronic communication if the person consents to being served in such manner and gives, as part of his or its address for service, an email address.

[S 420/2009 wef 01/10/2009]

SEVENTH SCHEDULE

Regulation 34(1)

PARTICULARS TO BE INCLUDED IN AN OFFER INFORMATION STATEMENT UNDER SECTION 305B OF THE ACT IN RESPECT OF A ~~REAL ESTATE INVESTMENT TRUST COLLECTIVE INVESTMENT SCHEME THAT IS A TRUST AND THAT INVESTS PRIMARILY IN REAL ESTATE AND REAL ESTATE RELATED ASSETS SPECIFIED BY THE AUTHORITY IN THE CODE ON COLLECTIVE INVESTMENT SCHEMES~~

[S 469/2012 wef 01/10/2012]

PART I FRONT COVER

1. On the front cover of the offer information statement, provide —

(a) the date of lodgment of the offer information statement; (b)

the following statements:

- (i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.”; and
- (ii) “The collective investment scheme offered in this document is {an authorised/a recognised*} scheme under the Securities and Futures Act. A copy of this offer information statement has been lodged with the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the offer information statement. Lodgment of the offer information statement with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the units being offered for investment.”;

* to state accordingly.

- (c) the name of the collective investment scheme (referred to in this Schedule as the Scheme) in which units are being offered, and its place and date of constitution;
- (d) a statement to the effect that an application has been or will be made to ~~a securities-~~an approved exchange to list for quotation or quote the units being offered on that ~~securities-~~approved exchange, and the name of such ~~securities-~~ approved exchange; and
- (e) a statement that no units shall be allotted or allocated on the basis of the offer information statement later than 6 months after the date of lodgment of the offer information statement.

PART II BASIC INFORMATION

2. State the names and addresses of —

- (a) the manager for the Scheme (referred to in this Schedule as the Manager); and
- (b) each of the directors or equivalent persons of the Manager.

3. State the names and addresses of —

- (a) the issue manager to the offer, if any;
- (b) the underwriter to the offer, if any; and
- (c) the legal adviser for or in relation to the offer, if any.

PART III OFFER STATISTICS AND TIMETABLE

Offer Statistics

- 4. For each method of offer, state the number of units being offered.

Method and Timetable

- 5. Provide the information referred to in paragraphs 6 to 10 to the extent applicable to —

- (a) the offer procedure; and
- (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

- 6. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription

applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure shall be made public.

7. State the method and time limit for paying up for the units and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

8. State, where applicable, the methods of and time limits for —

(a) the delivery of the documents evidencing title to the units being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and

(b) the book-entry transfers of the units being offered in favour of subscribers or purchasers.

9. In the case of any pre-emptive rights to subscribe for or purchase the units being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

10. Provide a full description of the manner in which results of the allotment or allocation of the units are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

PART IV KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

11. In the same section, provide the information set out in paragraphs 12 to 17.

12. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph as the net proceeds). Where only a part of the net proceeds will go into the property of the Scheme, indicate such amount. If none of the proceeds will go into the property of the Scheme, provide a statement of that fact.

13. Disclose how the net proceeds from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the

proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the Manager, must be raised by the offer of units.

14. For each dollar of the proceeds from the offer, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

15. If any of the proceeds from the offer will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from a person specified as an interested party by the Authority in the Code on Collective Investment Schemes, identify the interested party and state how the cost to the Scheme is or will be determined.

16. If any of the proceeds from the offer will be used to finance or refinance the acquisition of a business, briefly describe the business and give information on the status of the acquisition.

17. If any material part of the proceeds from the offer will be used to discharge, reduce or retire the indebtedness of the Scheme, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

18. In the section containing the information referred to in paragraphs 12 to 17 or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.

Information on the Scheme

19. Provide the following information:

- (a) the nature of the operations and principal activities of the Scheme;
- (b) the general development of the Scheme from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the Scheme since —
 - (i) the end of the most recent completed financial year for which financial statements have been published; or
 - (ii) the end of any subsequent interim period if interim financial statements have been published;

- (c) the participants' funds in and borrowings of the Scheme, as at the latest practicable date, showing —
 - (i) in the case of the participants' funds, the number of units issued and the number of units outstanding; or
 - (ii) in the case of borrowings, the total amount of the borrowings outstanding, together with the rate of interest (whether fixed or floating) payable thereon;
- (d) the number of units of the Scheme owned by each substantial participant as at the latest practicable date;
- (e) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the Scheme's financial position or profitability;
- (f) where any units in the Scheme have been issued within the 12 months immediately preceding the latest practicable date —
 - (i) if the units have been issued for cash, state the prices at which the units have been issued and the number of units issued at each price; or
 - (ii) if the units have been issued for services, state the nature and value of the services and give the name and address of the person who received the units; and
- (g) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the trustee for the Scheme (acting in its capacity as trustee of the Scheme) is a party, for the period of 2 years before the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the Scheme.

PART V OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

20.—(1) Provide selected data from —

- (a) the audited income statement of the Scheme for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the Scheme for any subsequent period for which that statement has been published.

(2) The data referred to in sub-paragraph (1) shall include the line items in the income statement of the Scheme and shall in addition include the following items:

- (a) distribution per unit;
- (b) earnings or loss per unit; and
- (c) earnings or loss per unit after any adjustment to reflect the sale of new units.

21.—(1) In respect of —

- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected income available for distribution to participants after tax, and indicate the extent to which such income was so affected.

(2) Describe any other significant component of revenue or expenditure necessary to understand the income available for distribution to participants after tax for each of the financial periods referred to in sub-paragraph (1).

Financial Position

22.—(1) Provide selected data from the balance sheet of the Scheme as at the end of —

- (a) the most recent completed financial year for which audited financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period.

(2) The data referred to in sub-paragraph (1) shall include the line items in the audited or interim balance sheet of the Scheme and shall in addition include the following items:

- (a) number of units after any adjustment to reflect the sale of new units;
- (b) net asset value per unit; and
- (c) net asset value per unit after any adjustment to reflect the sale of new units.

Liquidity and Capital Resources

23. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —

(a) the most recent completed financial year for which financial statements have been published; and

(b) if interim financial statements have been published for any subsequent period, that period.

24. Provide a statement by the Manager as to whether, in its reasonable opinion, the working capital available to the Scheme as at the date of lodgment of the offer information statement is sufficient for present requirements and, if insufficient, how the additional working capital considered by the Manager to be necessary is proposed to be provided.

25. If the Scheme is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Scheme's financial position and results or business operations, or the investments by participants in the Scheme, provide —

(a) a statement of that fact;

(b) details of the credit arrangement or bank loan; and

(c) any action taken or to be taken by the Manager to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).

Trend Information and Forecast or Projection

26. Discuss, for at least the current financial year, the business and financial prospects of the Scheme, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on revenue, net property income, profitability, liquidity or capital resources, or that would cause the financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.

27.—(1) Except as provided in sub-paragraphs (2) and (3), the offer information statement shall not —

(a) include any prediction, projection or forecast as to the future or likely performance of the Scheme; or

(b) use words such as “targeted” or “expected” or any similar words or description in relation to a rate of return.

(2) The offer information statement may include a prediction, projection or forecast on the economy or the economic trends of the markets which are targeted by the Scheme, but such prediction, projection or forecast shall be accompanied by a prominent statement to the effect that the prediction, projection or forecast is not necessarily indicative of the future or likely performance of the Scheme.

(3) The offer information statement may include a forecast or projection in relation to the Scheme (including, where applicable, any yield to be generated by any new asset or property proposed to be acquired by the Scheme) in the offer information statement, provided that —

(a) if the forecasted or projected yields of the units in the Scheme are stated in percentage terms —

(i) such yields are presented on an annualised basis; and

(ii) it is prominently stated in the offer information statement that such forecasted or projected yields are calculated based on a stated reference price or standard reference prices and that such yields will vary accordingly for investors who purchase units in the secondary market at a market price higher or lower than the stated reference price or prices;

(b) the assumptions underlying such forecast or projection are reasonable, and are stated clearly and explicitly in the offer information statement; and

(c) the forecast or projection is accompanied by the items referred to in sub-paragraph (4).

(4) The items referred to in paragraph (3)(c) are —

(a) a statement by an auditor of the Scheme as to whether such forecast or projection is —

(i) properly prepared on the basis of the assumptions;

(ii) consistent with accounting policies adopted by the Manager in respect of the Scheme; and

(iii) presented in accordance with acceptable accounting standards adopted by the Manager in the preparation of the financial statements of the Scheme;

(b) where —

(i) the forecast or projection is in respect of a period ending on a date not later than the end of the current financial year of the Scheme —

- (A) a statement by the issue manager to the offer or any other person whose profession or reputation gives authority to the statement made by him, that the forecast or projection has been stated by the Manager after due and careful enquiry and consideration; or
 - (B) a statement by an auditor of the Scheme, prepared on the basis of his examination of the evidence supporting the assumptions and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the forecast or projection; or
- (ii) the forecast or projection is in respect of a period ending on a date after the end of the current financial year of the Scheme —
 - (A) a statement by the issue manager to the offer or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the forecast or projection; or
 - (B) a statement by an auditor of the Scheme, prepared on the basis of his examination of the evidence supporting the assumptions and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the forecast or projection;

- (c) a sensitivity analysis; and
- (d) a confirmation from the Manager that the forecast or projection has been properly prepared on the basis of appropriate and reasonable assumptions.

Significant Changes

28. Disclose any event that has occurred from the end of —

- (a) the most recent completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the Scheme or, if there is no such event, provide an appropriate negative statement.

Meaning of “published”

29. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.

PART VI THE OFFER AND LISTING

Offer and Listing Details

30. Indicate the price at which the units are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, the method by which the offer price is to be determined must be explained.

31. If —

- (a) any of the Scheme’s participants have pre-emptive rights to subscribe for or purchase the units being offered; and
- (b) the exercise of the rights by the participant is restricted, withdrawn or waived,

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

32. If units in the Scheme and of the same class as those being offered are listed for quotation on any ~~securities~~^{approved} exchange —

- (a) in a case where the first-mentioned units have been listed for quotation on the ~~securities-approved~~ exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned units —
 - (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month which the latest practicable date falls to the latest practicable date;
- (b) in a case where the first-mentioned units have been listed for quotation on the ~~securities-approved~~ exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned units —
 - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
- (c) disclose any significant trading suspension that has occurred on the ~~securities-approved~~ exchange during the 3 years immediately preceding the latest practicable date or, if the units have been listed for quotation for less than 3 years, during the period from the date on which the units were first listed on the ~~securities-approved~~ exchange, to the latest practicable date; and
- (d) disclose information on any lack of liquidity, if the units are not regularly traded on the ~~securities-approved~~ exchange.

33. Where the units being offered are not identical to the units already issued in the same collective investment scheme, provide —

- (a) a statement of the rights, preferences and restrictions attached to the units being offered; and
- (b) an indication of the resolutions, authorisations and approvals by virtue of which the Manager may create or issue further units to rank in priority to or pari passu with the units being offered.

Plan of Distribution

34. Indicate the amount, and outline briefly the plan of distribution, of the units that are to be offered otherwise than through underwriters. If the units are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If

known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

35. Provide a summary of the features of the underwriting relationship together with the amount of units being underwritten by each underwriter.

PART VII ADDITIONAL INFORMATION

Statements by Experts

36. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide the name, address and qualifications of that person.

37. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert —

- (a) state the date on which the statement was made;
- (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and
- (c) include a statement that the expert has given and has not withdrawn his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.

Consents from Issue Managers and Underwriters

38. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.

Other matters

39. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly —

- (a) the operations or financial position or results of the Scheme; or
- (b) investments by participants of the Scheme.

PART VIII

ADDITIONAL INFORMATION REQUIRED FOR OFFER OF UNITS BY WAY OF RIGHTS ISSUE

40. Provide —

- (a) the particulars of the rights issue;
- (b) the last day and time for splitting of the provisional allotment of the units to be issued pursuant to the rights issue;
- (c) the last day and time for acceptance of and payment for the units to be issued pursuant to the rights issue;
- (d) the last day and time for renunciation of and payment by the renouncee for the units to be issued pursuant to the rights issue;
- (e) the terms and conditions of the offer of units to be issued pursuant to the rights issue;
- (f) the particulars of any undertaking from the substantial participants of the Scheme to subscribe for their entitlements; and
- (g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.

CONSULTATION PAPER

P010 - 2017

May 2017

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

MAS

Monetary Authority of Singapore

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1 Preface

1.1 The Securities and Futures (Amendment) Act 2017 (“SF(A) Act”) was passed in Parliament on 9 January 2017 which gave effect to policy proposals aimed at ensuring that the capital markets regulatory framework in Singapore keeps pace with market developments and is aligned to international standards and best practices.

1.2 Given the wide-ranging amendments to the Securities and Futures Act (“SFA”), the Monetary Authority of Singapore (“MAS”) is consulting on draft Regulations to support the implementation of the legislative amendments in two phases. The first consultation paper was published on 28 Apr 2017.

1.3 MAS is also consulting on draft Regulations to implement enhancements to the regulatory requirements on protection of customers’ moneys and assets, and certain other proposals relating to remote clearing members and the base capital requirement for certain capital markets services (“CMS”) licensees.

1.4 The proposed amendments set out in this consultation are –

- (a) Securities and Futures (Licensing and Conduct of Business) Regulations (“SF(LCB)R”); and
- (b) New Securities and Futures (Offers of Investments) (Shares, Debentures and Business Trusts) Regulations 2017 (“SF(OI)(SDBT)R”).

1.5 MAS invites comments from all financial institutions and other interested parties.

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.

1.6 Please submit written comments by 23 Jun 2017 via email to SFA_FAA_LegisConsult@mas.gov.sg. We would appreciate that you use this [template](#) for your submission to ease our collation efforts.

2 Defined Terms

ASC	Accounting Standards Council
CCP	Central counterparty
CIS	Collective investment schemes
CMS	Capital markets services
CMS licensee	Holder of a CMS licence
FAA	Financial Advisers Act
Financial Adviser	A licensed financial adviser or an exempt financial adviser under section 23(1)(a), (b), (c), (d) or (e) of the FAA
FRS	Singapore Financial Reporting Standards
IFRS	International Financial Reporting Standards
MAS	Monetary Authority of Singapore
OIS	Offer information statement
OTC	Over-the-counter
Registered BT	Business trust registered under the Business Trusts Act
SF(A) Act	Securities and Futures (Amendment) Act 2017
SFA	Securities and Futures Act
SF(FMR)R	Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations
SF(LCB)R	Securities and Futures (Licensing and Conduct of Business) Regulations
SF(OI)(BT)R	Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005
SF(OI)(SD)R	Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005

SF(OI)(SDBT)R

Securities and Futures (Offers of Investments)
(Shares, Debentures and Business Trusts)
Regulations 2017

3 Introduction

3.1 The SF(A) Act was passed by Parliament on 9 January 2017. It provides MAS with legislative powers under the SFA to complete MAS' two-phase review to implement over-the-counter ("OTC") derivatives regulatory reforms. It also introduces amendments aimed at enhancing regulatory safeguards for retail investors, enhancing the credibility and transparency of the capital markets, and strengthening MAS' ability to take enforcement action against market misconduct.

3.2 To support the implementation of these wide-ranging amendments, amendments to subsidiary legislation and other legislative instruments have to be made to reflect key amendments such as:

- (a) Changes to product definitions in Part I of the SFA;
- (a) Repeal and re-enactment of Part II of the SFA to apply the markets regime to OTC derivatives;
- (b) Changes to Part IV of the SFA and the Second Schedule to the SFA to extend the CMS licensing regime to OTC derivatives; and
- (c) Changes to other Parts of the SFA, as well as the Financial Advisers Act ("FAA"), arising from the key changes above.

3.3 MAS intends to operationalise the amendments to the SFA by 2018, and as part of this process, is consulting the public on significant draft regulations in two phases. MAS issued the first consultation paper on other draft regulations on 28 Apr 2017.

3.4 Pursuant to the changes introduced in the SF(A) Act, MAS is seeking comments on the following draft regulations:

- (a) *Amendments to SF(LCB)R*
The amendments are primarily to introduce certain licensing exemptions, and business conduct requirements for dealing in OTC derivatives contracts, and the enhanced requirements on protection of customers' moneys and assets. MAS is also making consequential amendments to the SF(LCB)R to support the changes to product and regulated activities definitions under the SF(A) Act.
- (b) *New SF(OI)(SDBT)*
MAS will be amending the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 ("SF(OI)(SD)R") and Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 ("SF(OI)(BT)R") to collapse the requirements under both regulations into a proposed regulation titled "SF(OI)(SDBT)R" to operationalise

changes to Part XIII of the SFA. The proposed SF(OI)(SDBT)R will also introduce changes to the provisions on accounting standards for the preparation of financial statements to be included in a prospectus, and new provisions to allow for the incorporation of specific information into a prospectus by reference to a separate document, and to prescribe the form and content of the offer information statement (“OIS”) required for the new prospectus exemption that MAS may grant for an offer of securities by a subsidiary of a listed entity. Enhancements will also be introduced to the prospectus disclosure requirements prescribed in the Schedules of the SF(OI)(SD)R and SF(OI)(BT)R.

3.5 MAS is also seeking comments on other proposals as follows:

- (a) To exempt Remote Clearing Members which clear OTC derivatives contracts on Singapore-based central counterparties (“CCPs”) from the requirement to hold a CMS licence for dealing in capital markets products in respect of OTC derivatives contracts; and
- (b) To remove the \$250,000 minimum base capital requirement category as holders of a CMS licence (“CMS licensees”) which are subject to the \$250,000 requirement should also be able to meet the conditions for the \$50,000 minimum base capital requirement.

3.6 The draft SF(LCB)R and SF(OI)(SDBT)R are set out in Annexes B and C, and key areas are introduced in the following sections.

4 Amendments to Securities and Futures (Licensing and Conduct of Business) Regulations and Other Proposals

Amendments to SF(LCB)R

Business conduct for intermediaries dealing in OTC derivatives contracts

4.1 As part of the OTC derivatives reforms, MAS had consulted on a regulatory framework for OTC derivatives intermediaries¹ in June 2015² (“Jun 2015 consultation”). The proposals included business conduct requirements for OTC derivatives intermediaries, including risk mitigation requirements for OTC derivatives intermediaries that deal in non-centrally cleared OTC derivatives.

4.2 MAS published its response to feedback received³ on the proposals on 26 May 2017 and is now consulting on amendments to the SF(LCB)R to effect the revised proposals after considering the feedback received.

Changes relating to the marketing of collective investment schemes (“CIS”)

4.3 In the Jun 2015 Consultation⁴, MAS had proposed to remove the regulated activity of marketing of CIS under the FAA, and expand the scope of the relevant licensing exemption under the SF(LCB)R to allow licensed financial advisers or exempt financial advisers under section 23(1)(a), (b), (c), (d) or (e) of the FAA (“Financial Advisers”) to deal in both listed and unlisted CIS if such dealing is incidental to their financial advisory activities (“SFA dealing exemption”).

4.4 With these changes, dealing in CIS (which includes marketing of CIS) will be regulated only under the SFA. To ensure a level playing field for all entities dealing in CIS, MAS will require Financial Advisers relying on the SFA dealing exemption to comply with the business conduct requirements applicable to dealing in CIS under the SF(LCB)R. MAS

¹ i.e. CMS licensees and MAS-licensed banks, merchant banks or finance companies which conduct dealing in OTC derivatives contracts under the SFA

² Refer to MAS’ Consultation Paper (dated 3 June 2015) on [Regulatory Framework for Intermediaries Dealing in OTC Derivative Contracts, Execution Related Advice, and Marketing of Collective Investment Scheme](#)

³ Refer to MAS’ Response Paper (dated 26 May 2017) on [Regulatory Framework for Intermediaries Dealing in OTC Derivative Contracts, Execution Related Advice, and Marketing of Collective Investment Scheme](#)

⁴ Refer to footnote 2

will also replicate the business conduct requirements, as well as the licensing exemptions on marketing of CIS under the Financial Advisers Regulations, in the SF(LCB)R.

4.5 MAS published its response to feedback received on the consultation on 26 May 2017⁵ and is now consulting on amendments to the SF(LCB)R to effect the revised changes after considering the feedback.

Consequential amendments to effect the revised product and regulated activities definitions

4.6 In line with changes to the product definitions, the current regulated activities of “dealing in securities”, “trading in futures contracts” and “leveraged foreign exchange trading”, as well as the new dealing in OTC derivatives activity have been collapsed into a new regulated activity “dealing in capital markets products” under the SF(A) Act. MAS is now consulting on consequential amendments to the SF(LCB)R to support the revised product and regulated activities definitions.

Enhancement of regulatory requirements on protection of customer’s moneys and assets

4.7 On 18 July 2016, MAS issued a consultation paper⁶ on proposals to enhance the regulatory requirements governing the treatment and handling of customer’s moneys and assets held by CMS licensees and MAS-licensed banks, merchant banks and finance companies which conduct regulated activities under the SFA (“Exempt financial institution” or “EFIs”). MAS published its response to feedback received on the consultation on 26 May 2017⁷ and has incorporated the amendments to the SF(LCB)R to effect the revised changes after considering the feedback received.

Other amendments in the SF(LCB)R

- (a) Record keeping requirements for accredited investors

4.8 MAS proposes to amend regulation 39(2)(a) such that it applies to all types of customers, and is consulting on amendments to the SF(LCB)R to effect this change. Under

⁵ Refer to footnote 3

⁶ Refer to MAS’ Consultation Paper (dated 18 July 2016) on [Enhancements to Regulatory Requirements on Protection of Customer’s Moneys and Assets](#)

⁷ Refer to MAS’ Response Paper (dated 26 May 2017) on [Enhancements to Regulatory Requirements on Protection of Customer’s Moneys and Assets](#)

regulation 39(2)(a), a CMS licensee is required to keep books of every power of attorney or other document authorising the CMS licensee or its representative to operate the account of the customer on a discretionary basis for each customer, other than a customer who is an accredited investor. Given the importance of having a proper audit trail for the business activities of a CMS licensee, MAS is of the view that the record keeping requirement under regulation 39(2)(a) should be applicable when dealing with all types of customers.

- (b) Limiting the use of title transfer collateral arrangement to customers who are accredited, institutional or expert investors

4.9 A title transfer collateral arrangement is an arrangement by which a customer agrees that full ownership of moneys or assets placed with a CMS licensee as collateral in respect of the customer's existing or future obligations, is to be unconditionally transferred to the CMS licensee. This means that, in the event of the CMS licensee's failure, the customer would be regarded as an unsecured creditor because the title or ownership of his or her moneys or assets would have been transferred to the CMS licensee under the title transfer arrangement. This contrasts with the position of a customer whose money and/or assets are held in a trust account and do not form part of the CMS licensee's bankruptcy estate. Such a customer would, in the case of the failure of the CMS licensee, have a claim on the moneys or assets held in the trust account.

4.10 While it is reasonable to presume that accredited, institutional or expert investors are generally more sophisticated or have access to more resources, and are able to assess the implication of a title transfer arrangement, this would not be a reasonable presumption to make in the case of retail customers (i.e. those who are not accredited, institutional or expert investors). As such, MAS proposes to limit the use of title transfer collateral arrangement to customers who are accredited, institutional or expert investors. This limitation will also apply to EFIs.

- (c) Exemptions for dealing with expert investors

4.11 MAS proposes to broaden the exemptions available to CMS licensees or EFIs when they deal with accredited and/or institutional investors, such that these exemptions will similarly be available to CMS licensees or EFIs when they deal with expert investors. "Expert investors" include persons who may not qualify for accredited investor or institutional investor status but are nonetheless sophisticated or capable of protecting their own interests. A similar widening of the exemptions to include expert investors will also be made in the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations ("SF(FMR)R").

Question 1.	MAS seeks comments on proposed amendments to the SF(LCB)R at Annex B.
Question 2.	MAS seeks comments on the proposal to amend regulation 39(2)(a) of the SF(LCB)R such that CMS licensees have to keep the books or documents required under this regulation when they deal with all types of investors.
Question 3.	MAS seeks comments on the proposal to limit the application of title transfer collateral arrangement to customers who are accredited, institutional or expert investors.
Question 4.	MAS seeks comments on the proposal to broaden the exemptions that are currently available to CMS licensees when they deal with accredited and/or institutional investors, such that these exemptions will similarly be available to CMS licensees when they deal with expert investors.

Other proposals

Exemption for remote clearing members

4.12 Following the expansion of the CMS licensing regime to cover OTC derivatives contracts, overseas-based clearing members of Singapore-based CCPs (“Remote Clearing Members”) that clear OTC derivatives contracts will be required to hold a CMS licence for dealing in capital markets products.

4.13 To the extent that these Remote Clearing Members conduct their business outside Singapore and only serve overseas-based customers, the business conduct concerns which they pose are limited. As such, MAS proposes to exempt a Remote Clearing Member which clears OTC derivatives contracts on Singapore-based CCPs from the requirement to hold a CMS licence for dealing in capital markets products provided that the Remote Clearing Member:

- (a) is incorporated outside Singapore;
- (b) does not serve customers resident in Singapore;
- (c) does not carry on business in providing financial services in Singapore;

- (d) carries on business in a jurisdiction where the relevant regulator has an arrangement with the Authority for information exchange and co-operation in respect of OTC derivatives contracts; and
- (e) is registered, licensed, approved or otherwise regulated in respect of clearing of OTC derivatives contracts by the relevant regulator in its home jurisdiction.

4.14 The proposed exemption will be effected via amendments to the Securities and Futures (Exemption from Requirement to Hold Capital Markets Services Licence) Regulations.

Lowering of base capital requirement for certain CMS licensees

4.15 Following MAS' response of 8 June 2016⁸ to feedback received on a policy consultation issued on 16 February 2015 on facilitating securities-based crowdfunding, MAS had eased the financial requirements for certain CMS licensees whose activities pose lower systemic and business conduct risks. The base capital requirement under the SF(FMR)R was lowered from \$250,000 to \$50,000 for CMS licensees which meet the following criteria:

- (a) deal in securities or trade in futures contracts;
- (b) serve accredited and institutional investors only;
- (c) do not accept, handle or hold customer moneys, assets or positions; and
- (d) do not act as principal against customers.

4.16 In this regard, MAS is now consulting on the proposed removal of the \$250,000 base capital requirement category, given that a CMS licensee which meets the criteria for \$250,000 base capital requirement should also be able to meet the criteria for \$50,000 base capital requirement.

Question 5. MAS seeks comments on the proposal to exempt Remote Clearing Members clearing OTC derivatives contracts on Singapore-based CCPs from the requirement to hold a CMS licence, subject to certain conditions.

Question 6. MAS seeks comments on the proposal to remove the \$250,000 base capital requirement category.

⁸ Refer to MAS' Response Paper (dated 8 June 2016) on [Facilitating Securities-based Crowdfunding](#)

5 New Securities and Futures (Offers of Investments) (Shares, Debentures and Business Trusts) Regulations 2017

Amendments consequential to the SF(A) Act

5.1 In the Consultation Paper of 11 February 2015, MAS consulted on the following changes to Part XIII of the SFA:

- (a) extending the prospectus requirements to cash-settled securities-based derivatives contracts;
- (b) providing appropriate exemptions to exempt certain cash-settled securities-based derivatives contracts from the prospectus requirement where the underlying is listed and where disclosure requirements apply to the contracts; and
- (c) collapsing the prospectus requirements for securities and units of business trusts in Division 1 and Division 1A of Part XIII into Division 1 of Part XIII.

5.2 MAS is now consulting on amendments proposed to be made to the SF(OI)(SD)R for the purposes of implementing the above changes. In addition, MAS has combined the requirements under the SF(OI)(SD)R and SF(OI)(BT)R into the proposed SF(OI)(SDBT)R.

Question 7. MAS seeks comments on the consequential amendments in the draft SF(OI)(SDBT)R, attached as Annex C, arising from the SF(A) Act.

Disclosure of financial information in a prospectus

5.3 Singapore incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore (“Listed Singapore Companies”) will be required by the Accounting Standards Council (“ASC”) to apply a new accounting framework (“New Framework”) that is identical to the International Financial Reporting Standards (“IFRS”), for financial years beginning on or after 1 January 2018.

5.4 ASC’s requirement does not apply to a business trust registered under the Business Trusts Act (“Registered BT”) which is administered by MAS. MAS announced on 19 January 2017 that it will similarly require Registered BTs to prepare financial statements in accordance with the New Framework for financial years beginning on or after 1 January 2018. This will align the accounting treatment of Registered BTs with Listed Singapore Companies.

5.5 To facilitate comparability between, *inter alia*, financial information included in prospectuses at offering (such as annual financial statements) and those available post offering, MAS will be amending the SF(OI)(SD)R and SF(OI)(BT)R to replace references therein to the Singapore Financial Reporting Standards (“FRS”) with references to the New Framework. The amendments are intended to take effect on 1 January 2018. Once the amendments take effect, issuers of listed and unlisted⁹ shares, debentures and units in business trusts (“Issuers”) that are currently preparing financial information in FRS and are targeting to make offers shortly after 1 January 2018, may have to restate financial information from the FRS to the New Framework.

5.6 As announced on 19 January 2017, MAS will provide for transitional relief from restating up to three years of historical annual financial statements from FRS to the New Framework for the purpose of inclusion in a prospectus. MAS is now consulting on proposed amendments to the SF(OI)(SD)R and SF(OI)(BT)R to provide for the transitional relief.

5.7 Proposed amendments to the provisions in the SF(OI)(SDBT)R pertaining to:

- (a) audited financial information may be found in the:
 - (i) Fifth Schedule, Part IX, Paragraphs 8 to 8A
 - (ii) Sixth Schedule, Part IX, Paragraphs 8 to 8A
 - (iii) Seventh Schedule, Part VIII, Paragraphs 9 to 9A
 - (iv) Tenth Schedule, Part VIII, Paragraphs 9 to 9A
 - (v) Seventeenth Schedule, Part X, Paragraphs 8 to 8A.
- (b) interim financial information may be found in the:
 - (i) Fifth Schedule, Part IX, Paragraphs 20 to 20A
 - (ii) Seventh Schedule, Part VIII, Paragraphs 21 to 21A
 - (iii) Seventeenth Schedule, Part X, Paragraphs 20 to 20A.
- (c) pro forma financial information may be found in the:
 - (i) Fifth Schedule, Part IX, Paragraphs 28A and 33
 - (ii) Seventh Schedule, Part VIII, Paragraphs 29A and 34
 - (iii) Seventeenth Schedule, Part X, Paragraphs 28A and 33.

⁹ Our amendments will cover unlisted Registered BT issuers and unlisted companies issuers, when such issuers make public offers of securities that are not exempted from prospectus requirements. These issuers accept public monies and are publicly accountable. Accordingly, they should be held to similar prospectus disclosure standards as listing aspirants.

Question 8. MAS seeks comments on the proposed amendments on the disclosure of financial information in a prospectus in the draft SF(OI)(SDBT)R as attached in Annex C.

Incorporation by reference

5.8 MAS had previously consulted on proposals aimed at improving the quality of information and facilitating better understanding by investors of key information presented in prospectuses. As part of that consultation, MAS proposed allowing information located outside a prospectus to be incorporated into the prospectus by making reference to the information, subject to certain conditions.¹⁰ As set out in MAS' response to the consultation, respondents generally welcomed this proposal.¹¹

5.9 Pursuant to that consultation, section 243 of the SFA was amended by the SF(A) Act to allow for certain information to be incorporated in the prospectus by reference to a document lodged with MAS together with the prospectus (the "reference document"). As set out in MAS' response to the consultation, the specific information that can be incorporated into the prospectus by reference will be limited to those that will be prescribed by MAS¹², and will be subject to conditions or restrictions that may be prescribed by MAS.

5.10 MAS is now consulting on proposed amendments to prescribe the specific information that can be incorporated into a prospectus by reference, and the conditions and restrictions for incorporating information by reference. These amendments are found in the Nineteenth Schedule and Regulation 8A(1) of the SF(OI)(SDBT)R.

¹⁰ See MAS' policy consultation paper dated 14 October 2013, <http://www.mas.gov.sg/~media/MAS/News%20and%20Publications/Consultation%20Papers/Responses%20to%20Public%20Consultation%20on%20Proposals%20to%20Facilitate%20Better%20Understanding%20of%20Prospectuses.pdf>

¹¹ See paragraph 3.2 of MAS' Response to Feedback Received – Policy Consultation on Proposals to Facilitate Better Understanding of Prospectuses dated 5 February 2015, http://www.mas.gov.sg/~media/resource/publications/consult_papers/2013/14%20Oct%202013%20Policy%20Consultation%20on%20Proposals%20to%20Facilitate%20Better%20Understanding%20of%20Prospectuses.pdf

¹² See paragraph 3.8 of MAS' Response to Feedback Received – Policy Consultation on Proposals to Facilitate Better Understanding of Prospectuses dated 5 February 2015 i.e. the information includes (a) information on relevant laws and regulations; (b) information on directorships or equivalent position in the last five years; (c) audit report of historical financial information; (d) expert reports; and (e) constituent documents.

Question 9. MAS seeks comments on the proposed amendments to prescribe the specific information that can be incorporated into a prospectus by reference, and the conditions and restrictions for incorporating information by reference, in the draft SF(OI)(SDBT)R as attached in Annex C.

Offer information statement

5.11 The SF(A) Act amended section 277 of the SFA to provide MAS with the power to declare that an offer of securities by a subsidiary of a listed entity is exempted from the prospectus requirement under Part XIII of the SFA, where the following conditions are met:

- (a) an OIS is issued in lieu of the prospectus;
- (b) the payment obligations of the subsidiary in respect of the offer of securities are fully guaranteed, unconditionally and irrevocably, by the listed entity; and
- (c) MAS is satisfied that it would not be prejudicial to investors if a prospectus is dispensed with.

5.12 Where, upon application by either the subsidiary or the listed entity, a declaration has been made by MAS under section 277 of the SFA, the OIS relating to the offer of securities must comply with such requirements as to form and content as may be prescribed by regulations made under section 341 of the SFA.

5.13 MAS is now consulting on amendments to introduce a new provision to prescribe the form and content of the OIS required. The new provision is in Regulation 30(1A) of the SF(OI)(SDBT)R.

Question 10. MAS seeks comments on a new provision to prescribe the form and content of the OIS required for the prospectus exemption for an offer of securities by a subsidiary of a listed entity, in the draft SF(OI)(SDBT)R as attached in Annex C.

Further enhancements to disclosure requirements

5.14 MAS had previously consulted on enhancements to prospectus disclosure requirements set out in the Schedules of the SF(OI)(SD)R.¹³ Based on the feedback from the previous consultation, we have refined the proposed amendments. Separately, we have also received feedback on other areas, and are consequently proposing further enhancements to the Schedules of the SF(OI)(SD)R and SF(OI)BT)R. The proposed amendments and explanatory notes are set out in the Schedules of the SF(OI)(SDBT)R, as attached in Annex C. The proposed disclosure requirements will also be replicated to the Securities and Futures (Offers of Investments) (Shares and Debentures) (Exemption from Subdivisions (2) and (3) of Division 1 of Part XIII for REIT Bonds) Regulations 2011, where relevant.

Question 11.	MAS seeks comments on the proposed amendments to the disclosure requirements set out in the Schedules of the SF(OI)(SDBT)R, as attached in Annex C.

¹³ The previous consultation is titled “Draft Regulations Pursuant to the Securities and Futures Act” and dated 16 April 2010.

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SECURITIES AND FUTURES (LICENSING AND CONDUCT OF BUSINESS)
REGULATIONS

Rg 10

G.N. No. S 457/2002

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(29th February 2004)

[1st October 2002;

1st April 2003: – regulation 54]

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[1st October 2002; 1st April 2003: – regulation 54]

PART I

PRELIMINARY

Citation

1. These Regulations may be cited as the Securities and Futures (Licensing and Conduct of Business) Regulations.

Definitions

2. In this Regulations, unless the context otherwise requires —

“advertisement”, in relation to a holder of a capital markets services licence, means a dissemination or conveyance of information, or an invitation or solicitation, in respect of any regulated activity that the holder is licensed to carry on business in, by any means or in any form, including by means of —

- (a) publication in a newspaper, magazine, journal or other periodical;
- (b) display of posters or notices;
- (c) circulars, handbills, brochures, pamphlets, books or other documents;
- (d) letters addressed to individuals or bodies;
- (e) photographs or cinematograph films; or
- (f) sound broadcasting, television, the Internet or other media;

“bond” includes —

- (a) any note, bond or Treasury Bill;
- (b) an option in respect of any note, bond or Treasury Bill; and
- (c) such other securities or class of securities as the Authority may from time to time, by a guideline issued by the Authority, determine;

“contracts for differences” means any right under any over-the-counter derivatives contract the purpose or pretended purpose of which is to secure profit or avoid a loss by reference to fluctuations in —

- (a) the value or amount of one or more underlying things;
- (b) the value or amount of any group of one or more underlying things; or
- (c) an index of one or more underlying things;

“electronic record” has the same meaning as in section 2 of the Electronic Transactions Act (Cap. 88);

“Government securities” means securities issued or proposed to be issued by the Government, and includes —

- (a) any debenture, stock or bond issued or proposed to be issued by the Government;
- (b) any right or option in respect of any debenture, stock or bond referred to in paragraph (a);
- (c) book-entry Government securities as defined in section 2 of the Development Loan (1987) Act (Cap. 81A) or section 2 of the Government Securities Act (Cap. 121A); and
- (d) book-entry Treasury Bills as defined in section 2 of the Local Treasury Bills Act (Cap. 167);

“guideline issued by the Authority” means a guideline issued by the Authority under section 321 of the Act;

“Internet-based trading platform” means an order management system for the purpose of dealing in ~~capital markets products securities, trading in futures contracts or carrying out leveraged foreign exchange trading~~, offered by a holder of a capital markets services licence or a person who is exempt from holding a capital markets services licence pursuant to section 99(1)(a), (b) or (c) of the Act, which is accessible through the Internet, and is not limited to accredited investors, expert investors and institutional investors;

[S 170/2013 wef 28/03/2014]

“over-the-counter derivatives contract” means a derivatives contract which is not an exchange-traded derivatives contract;

“position”, in relation to a derivatives contract or spot foreign exchange contract for the purposes of leveraged foreign exchange trading, means a derivatives contract or spot foreign exchange contract for the purposes of leveraged foreign exchange trading ~~means a futures contract or a leveraged foreign exchange transaction~~ which is ~~still~~ outstanding, and which has not been liquidated —

- (a) by an off-setting ~~against any~~ transaction ~~for purposes of set-off~~;
- (b) by delivery of the underlying thing of the derivatives contract ~~commodity underlying the futures contract or leveraged foreign exchange transaction~~;
- (ba) by delivery of the currency underlying the spot foreign exchange contract for the purposes of leveraged foreign exchange trading;
- (c) by settlement of the derivatives contract or spot foreign exchange contract for the purposes of leveraged foreign exchange trading ~~futures contract or leveraged foreign exchange transaction~~ in accordance with the business rules or practices of an organised market, a clearing facility or ~~a futures exchange or a clearing house or the practices of a futures market~~, a foreign exchange market, ~~or a recognised trading system provider~~ as the case may be;
- (d) in the case of a ~~derivatives~~ ~~futures~~ contract, by substituting the ~~derivatives~~ ~~futures~~ contract with cash commodity; or
- (e) in the case of a ~~spot~~ ~~leveraged~~ foreign exchange contract for the purposes of leveraged foreign exchange trading transaction, by substituting the ~~spot~~ ~~leveraged~~ foreign exchange contract ~~transaction~~ for a futures contract;

“quarter”, in relation to a calendar year, means a period of 3 months ending on the last day of March, June, September or December in that calendar year;

“Registered Fund Management Company” means a corporation which is exempted from holding a capital markets services licence under paragraph 5(1)(i) of the Second Schedule;

[S 385/2012 wef 07/08/2012]

“Registered Futures Broker” means a corporation which is exempted from holding a capital markets services licence under paragraph 3(1)(d) of the Second Schedule;

“Registered Over-the-counter Derivatives Broker” means a corporation which is exempted from holding a capital markets services licence under paragraph 3A(1)(e) of the Second Schedule;

“Rules and Market Practices” means the Rules and Market Practices (including any amendment and modification thereto) of the Singapore Government Securities Market as promulgated from time to time by the Singapore Government Securities Market Committee of the Singapore Government Securities Market;

“specified uncleared derivatives contract” means an uncleared derivatives contract that is not –

- (a) a contract for differences; or
- (b) an uncleared derivatives contract of which the underlying thing is a currency or a currency index.

“uncleared derivatives contract” means an over-the-counter derivatives contract that is not, or is not intended to be, cleared or settled by a person operating a clearing facility through which parties to a contract substitute, through novation or otherwise, the credit of the person operating the clearing facility for the credit of the parties.

PART II

LICENSING, REPRESENTATIVE NOTIFICATION AND RELATED MATTERS

[S 709/2010 wef 26/11/2010]

Forms

3.—(1) The forms to be used for the purposes of these Regulations are those set out at the Authority's Internet website at <http://www.mas.gov.sg> (under “Regulations and Financial Stability”, “Regulations, Guidance and Licensing”, “Securities, Futures and Fund Management”), and any reference in these Regulations to a numbered form shall be construed as a reference to the current version of the form bearing the corresponding number which is displayed at that website.

[S 385/2012 wef 07/08/2012]

(2) Any document required to be lodged with the Authority under any provision of Parts IV to VI of the Act or these Regulations shall be lodged in the relevant form and in the manner specified in the website referred to in paragraph (1), or in such other manner as the Authority may specify from time to time.

[S 503/2012 wef 19/11/2012]

(3) All forms used for the purposes of these Regulations shall be completed in the English language and in accordance with such directions as may be specified in the form or by the Authority.

(4) The Authority may refuse to accept any form if —

- (a) it is not completed or lodged in accordance with this regulation; or
- (b) it is not accompanied by the relevant fee referred to in regulation 6.

(5) Where strict compliance with any form is not possible, the Authority may allow for the necessary modifications to be made to that form, or for the requirements of that form to be complied with in such other manner as the Authority thinks fit.

[S 373/2005 wef 01/07/2005]

Lodgment of documents and undertaking of responsibilities for representative

3A.—(1) A notice of intent under section 99H(1)(a) of the Act by a principal to appoint an individual as an appointed representative in respect of a type of regulated activity and a certificate under section 99H(1)(b) of the Act by the principal as to the fitness and propriety of the individual to be so appointed shall be in Form 3A.

(2) A notice of intent under section 99H(1)(a) of the Act by a principal to appoint an individual as a provisional representative in respect of a type of regulated activity and a certificate under section 99H(1)(b) of the Act by the principal as to the fitness and propriety of the individual to be so appointed shall be in Form 3B.

(3) A notice of intent under section 99H(1)(a) of the Act by a principal to appoint an individual as a temporary representative in respect of a type of regulated activity and a certificate under section 99H(1)(b) of the Act by the principal as to the fitness and propriety of the individual to be so appointed shall be in Form 3C.

(4) A principal who lodges with the Authority the certificate under section 99H(1)(b) of the Act shall retain copies of all information and documents which it relied on in giving the certificate for a period of 5 years from the date of lodgment.

(5) For the purposes of section 99H(1)(c) of the Act, a principal shall undertake all of the following responsibilities in relation to its representative:

- (a) to put in place measures to properly supervise the activities and conduct of the representative, including measures to ensure that all obligations assumed and liabilities incurred by him are properly fulfilled, whether actual or contingent and howsoever arising, in relation to carrying out any regulated activity;
- (b) to put in place measures, including proper training, to ensure that the representative understands and complies with all Singapore laws that are relevant to the regulated activity carried out by him;
- (c) to ensure that the representative is accompanied at all times by any of the persons referred to in paragraph (6) when meeting any client or member of the public in the course of carrying on business in any regulated activity;
- (d) to ensure that the representative sends concurrently to any of the persons referred to in paragraph (6) all electronic mail that he sends to any client or member of the public in the course of carrying on business in any regulated activity;
- (e) to ensure that the representative does not communicate by telephone with any client or member of the public in the course of carrying on business in any regulated activity, other than by telephone conference in the presence of any of the persons referred to in paragraph (6).

(6) The persons referred to in paragraph (5)(c), (d) and (e) are —

- (a) an appointed representative of the principal;
- (b) a director of the principal approved under section 96 of the Act;
- (c) an officer of the principal whose primary function is to ensure that the carrying on of business in the regulated activity in question complies with the

laws and requirements of the Authority applicable to the regulated activity in question;

(d) an officer of the principal appointed by the principal to supervise the representative in carrying on of business in the regulated activity in question.

(7) In paragraph (5)(c), (d) and (e), “client or member of the public” excludes one who is an accredited investor, ~~an~~ expert investor or ~~an~~ institutional investor.

[S 709/2010 wef 26/11/2010]

Provisional representative

3B.—(1) The period which the Authority may specify in the public register of representatives under section 99E(2) of the Act as the period which any named individual can be a provisional representative in respect of any type of regulated activity shall not exceed 3 months from the date his name is entered in the register as a provisional representative.

(2) For the purpose of section 99E(5) of the Act, where a provisional representative in respect of a type of regulated activity has satisfied the examination requirements specified for that type of regulated activity, his principal shall inform the Authority of that fact —

(a) by serving on the Authority a duly completed Form 3D; and

(b) before the expiry of the period specified against his name in the public register of representatives under section 99E(2) of the Act.

(3) For the purposes of section 99M(1)(t)(i) and (ii) of the Act, the Authority may refuse to enter the name and other particulars of an individual in the public register of representatives as a provisional representative in respect of a type of regulated activity, if —

(a) he is not or was not previously licensed, authorised or otherwise regulated as a representative in relation to a comparable type of regulated activity in a foreign jurisdiction for a continuous period of at least 12 months; or

(b) the period between the date of his ceasing to be so licensed, authorised or regulated in a foreign jurisdiction and the date of his proposed appointment as a provisional representative exceeds 12 months.

[S 709/2010 wef 26/11/2010]

Temporary representative

3C.—(1) For the purpose of section 99M(1)(s)(iii) of the Act, the Authority may refuse to enter the name and other particulars of an individual in the public register of representatives as a temporary representative in respect of a type of regulated activity,

if the period of his proposed appointment, together with the period of any past appointment (or part thereof) that falls within the period of 24 months before the date of expiry of his proposed appointment, exceeds 6 months.

(2) The period which the Authority may specify in the public register of representatives under section 99F(2) of the Act as the period which any named individual can be a temporary representative in respect of any type of regulated activity shall not exceed 3 months from the date his name is entered in the register as a temporary representative.

[S 709/2010 wef 26/11/2010]

3D. *[Deleted by S 503/2012 wef 19/11/2012]*

Register of interests in ~~specified products~~securities

4.—(1) Each of the following persons (referred to in this regulation and regulation 4A as a relevant person), namely:

- (a) a holder of a capital markets services licence to deal in ~~capital markets products that are specified products~~securities;
- (b) a holder of a capital markets services licence to advise on corporate finance;
- (c) a holder of a capital markets services licence for fund management;
- (d) a holder of a capital markets services licence for real estate investment trust management;
- (e) a holder of a capital markets services licence for providing credit rating services;
- (f) a representative of a holder of a capital markets services licence referred to in sub-paragraph (a), (b), (c), (d) or (e),

shall —

- (i) maintain in Form 15 a register of his interests in ~~specified products~~securities;
- (ii) enter into the register, within 7 days after the date that he acquires any interest in ~~specified products~~securities, particulars of the ~~specified products~~securities in which he has an interest and particulars of his interests in those ~~specified products~~securities;
- (iii) retain that entry in an easily accessible form for a period of not less than 5 years after the date on which such entry was first made; and
- (iv) ensure that a copy of the register is kept in Singapore.

(2) Where there is a change in any interest in ~~specified products~~securities of a relevant person, the relevant person shall —

(a) enter in the register, within 7 days after the date of the change, particulars of the change including the date of the change and the circumstances by reason of which the change has occurred; and

(b) retain that entry in an easily accessible form for a period of not less than 5 years after the date on which such entry was first made.

(3) A relevant person shall, upon the Authority's request —

(a) produce for the Authority's inspection the register of his interests in **specified productssecurities**; and

(b) allow the Authority to make a copy of, or take extracts from, the register.

(4) The Authority may provide a copy of an extract of a register obtained under paragraph (3) to any person who, in the opinion of the Authority, should in the public interest be informed of the dealing in **specified productssecurities** disclosed in the register.

(5) In this regulation and regulation 4A, "**specified productssecurities**" means **specified productssecurities** which are listed for quotation, or quoted on **an approved exchangea-securities-exchange** or a recognised market operator.

[S 503/2012 wef 19/11/2012]

Place at which register is kept

4A.—(1) A relevant person shall keep the register of his interests in **specified productssecurities** referred to in regulation 4 —

(a) in the case of an individual, at his principal place of business; or

(b) in the case of a corporation, at any of its places of business.;

(2) The register of interests in **specified productssecurities** may be kept in electronic form if the relevant person ensures that full access to such register may be gained by the Authority at the place referred to in paragraph (1)(a) or (b), as the case may be.

(3) An applicant for a capital markets services licence to carry on business in dealing in **capital markets products that are specified productssecurities**, advising on corporate finance, fund management, real estate investment trust management or providing credit rating services shall, when applying for the licence, give notice to the Authority in Form 1 or Form 1A, or both, whichever is applicable, of —

(a) the place at which it intends to keep the register of his interests in **specified productssecurities** or, if the register is in electronic form, the place at which full access to the register may be gained; and

(b) such other particulars as are set out in the Form.

[S 170/2013 wef 28/03/2013]

(4) A holder of a capital markets services licence shall, when applying under section 90 of the Act to have its licence varied by adding any regulated activity in respect of dealing in **capital markets products that are specified productssecurities**, advising on corporate finance, fund management, real estate investment trust management or providing credit rating services, give notice to the Authority in Form 10 of —

(a) the place at which it intends to keep the register of its interests in **specified productssecurities** or, if the register is in electronic form, the place at which full access to the register may be gained; and

(b) such other particulars as are set out in the Form.

(5) The person who gives the notice under paragraph (3) or (4) shall, within 14 days from the date of every subsequent change of the place for keeping the register referred to in paragraph (3)(a) or (4)(a), as the case may be, lodge with the Authority a notice of the change of place in Form 10.

(6) A relevant person who is a holder of a capital markets services licence shall maintain records of the place at which its representatives keep their registers of their interests in **specified productssecurities** and the places at which copies of those registers are kept in Singapore under regulation 4(1)(iv).

(7) A relevant person who is a holder of a capital markets services licence shall, upon the Authority's request —

(a) produce for the Authority's inspection such records referred to in paragraph (6); and

(b) allow the Authority to make a copy of, or take extracts from, such records.

[S 503/2012 wef 19/11/2012]

Change of particulars and additional regulated activity of representative

5.—(1) An appointed representative shall notify his principal of any change in any of his particulars, being particulars set out in Form 3A, within 7 days after the occurrence of such change.

(2) A provisional representative shall notify his principal of any change in any of his particulars, being particulars set out in Form 3B, within 7 days after the occurrence of such change.

(3) A temporary representative shall notify his principal of any change in any of his particulars, being particulars set out in Form 3C, within 7 days after the occurrence of such change.

(4) An individual who is deemed to be an appointed representative under regulation 5(1)(a) or (c) or (3) of the Securities and Futures (Representatives)

(Transitional and Savings Provisions) Regulations 2010 (G.N. No. S 712/2010) shall notify his principal of any change in any of his particulars, being particulars set out in Form 3A, within 7 days after the occurrence of such change.

(5) Where an individual has applied for the renewal of a representative's licence under section 87 of the Act in force immediately before 26th November 2010 and the application is still pending on that date, he shall notify his principal of any change in any of his particulars, being particulars set out in Form 3A, within 7 days after the occurrence of such change.

(6) An individual who is deemed to be a temporary representative under regulation 5(2) or (3) of the Securities and Futures (Representatives) (Transitional and Savings Provisions) Regulations 2010 shall notify his principal of any change in any of his particulars, being particulars set out in Form 3C, within 7 days after the occurrence of such change.

(7) The principal of an individual referred to in paragraph (4), (5) or (6) shall, no later than 7 days after the principal is notified or becomes aware of any change in the individual's particulars which has been or ought to have been notified under that paragraph, furnish particulars of such change to the Authority in Form 16.

(8) For the purposes of section 99H(5) of the Act, the principal of an appointed, a provisional or a temporary representative shall notify the Authority of a change in the particulars of the representative in Form 16.

(9) A notice under section 99L(2) of the Act by a principal of its intention to appoint an appointed representative in respect of a type of regulated activity in addition to that indicated against the appointed representative's name in the public register of representatives shall be in Form 6.

[S 709/2010 wef 26/11/2010]

Fees

6.—(1) Subject to this regulation, the fees specified in the Third Schedule are payable to the Authority for the purposes, in the manner and at the times specified therein.

(2) Where —

- (a) the name of a person is entered in the public register of representatives as a provisional representative;
- (b) he pays the annual fee referred to in section 99K(2) of the Act for the retention of his name in the public register of representatives as a provisional representative for a period of time; and

- (c) his name is subsequently entered in the register as an appointed representative at any time during that period or on the business day immediately following the expiry of that period,

then the person is deemed to have paid the annual fee for the continuing retention of his name in the register as an appointed representative, in respect of the regulated activity conducted by the person while he was a provisional representative.

(3) For the purposes of sections 85(4) and 99K(6) of the Act, the late payment fee is \$100 for every day or part thereof that the payment is late subject to a maximum of \$3,000.

(4) Payment of fees may be made through such electronic funds transfer system as the Authority may designate from time to time, whereby payment is effected by directing the transfer of funds electronically from the bank account of the payer to a bank account designated by the Authority.

(4A) For the purposes of section 99A(4) of the Act, where the annual fee referred to in paragraph 5(7) of the Second Schedule or item 9 of the Third Schedule is not paid, a late payment fee of \$100 for every day or part thereof that the payment is late, subject to a maximum of \$3,000, shall also be payable.

[S 385/2012 wef 01/04/2013]

(5) The Authority may, as it thinks fit, waive the whole or any part of the fee payable under section 84, 85, 90, 99A or 99K of the Act.

(6) Where the holder of a capital markets services licence is licensed to carry on business in more than one regulated activity, the amount of the licence fee payable to the Authority shall be the sum of the fees specified in the Third Schedule for the regulated activities that the holder is licensed to carry out.

[S 709/2010 wef 26/11/2010]

Manner of application for capital markets services licence

6A.—(1) An application for the grant of a capital markets services licence for any regulated activity other than fund management shall be in Form 1 and shall be lodged with the Authority together with any relevant annex and information as may be specified in the Form or by the Authority from time to time.

[S 385/2012 wef 07/08/2012]

(2) An application for the grant of a capital markets services licence for the regulated activity of fund management shall be in Form 1A and shall be lodged with the Authority together with any relevant annex and information as may be specified in the Form or by the Authority from time to time.

[S 385/2012 wef 07/08/2012]

Deposit to be lodged in respect of capital markets services licence to deal in capital markets products that are specified productssecurities

7.—(1) Subject to paragraph (2), an application for a capital markets services licence to carry on business in dealing in capital markets products that are specified productssecurities must be accompanied by a deposit of \$100,000 to be lodged in the manner determined by the Authority.

(2) The deposit mentioned in paragraph (1) is not required in the case of an applicant —

(a) that is a member of an approved exchangea-securities-exchange; or

(b) that is a person which —

(i) does not carry any customer's positions in specified productssecurities, margins or accounts in that person's own books;

(ii) deals in specified productssecurities only with accredited investors, expert investors or institutional investors;

(iii) does not accept money or assets from any customer as settlement of, or as a margin for, or to guarantee or secure, any contract for the purchase or sale of specified productssecurities by that customer; and

(iv) does not enter into any transaction with any customer to deal in specified productssecurities as principal.

(2A) The deposit mentioned in paragraph (1) must be maintained for the entire duration of the licence.

(2B) The deposit mentioned in paragraph (1) must be lodged with the Authority —

(a) by making payment through any electronic funds transfer system as the Authority may designate from time to time;

(b) in the form of a banker's guarantee issued by a bank licensed under the Banking Act (Cap. 19); or

(c) in cash.

(3) The deposit lodged by the holder of a capital markets services licence under paragraph (1) shall be applied by the Authority for the purpose of compensating any person (other than an accredited investor, expert investor or institutional investor) who suffers pecuniary loss as a result of any defalcation committed by the holder or by any of its agents in relation to any money or other property which, in the course of or in connection with its business in dealing in capital markets products that are specified productssecurities, was —

(a) entrusted to or received by the holder or agent for or on behalf of any other person; or

(b) entrusted to or received by —

- (i) the holder, as trustee (whether or not with any other person) of that money or property; or
- (ii) the agent as trustee of, or on behalf of the trustee of, that money or property.

(4) Subject to these Regulations, every person who suffers pecuniary loss as provided in paragraph (3) shall be entitled to claim compensation in relation to the relevant deposit lodged with the Authority.

(5) The amount which any claimant shall be entitled to claim as compensation shall be the amount of actual pecuniary loss suffered by him (including the reasonable cost of and disbursements incidental to the making and proof of his claim) less the amount or value of all moneys or other benefits received or receivable by him from any source, other than the Authority, in reduction of the loss.

(6) The Authority may cause to be published in a daily newspaper published and circulating generally in Singapore a notice in Form 17 specifying a date, not being earlier than 3 months after the date of publication, on or before which claims for compensation in relation to the deposit lodged by the person specified in the notice may be made.

(7) A claim for compensation in respect of a defalcation shall be made in writing to the Authority —

- (a) where a notice under paragraph (6) has been published, on or before the date specified in the notice; or
- (b) where no such notice has been published, within 6 months after the claimant becomes aware of the defalcation,

and any claim which is not so made shall be barred unless the Authority otherwise determines.

(8) The Authority may, subject to these Regulations and after such enquiry as it thinks fit —

- (a) allow and settle any proper claim made in accordance with paragraph (7) and determine the amount payable as compensation; or
- (b) disallow any improper claim.

(9) For the purposes of paragraph (3), where the Authority is satisfied that the defalcation on which a claim is founded was actually committed, it may allow the claim and act accordingly notwithstanding that the person who committed the defalcation has not been convicted or prosecuted therefor or that the evidence on which the Authority acts would not be sufficient to establish the guilt of that person upon a criminal trial in respect of the defalcation.

(10) Nothing in these Regulations shall require the Authority to settle a claim in full or in part where the relevant deposit lodged with the Authority is insufficient to meet the aggregate amount of the claims for compensation.

Return of deposit

8.—(1) Where —

- (a) the holder of a capital markets services licence to deal in **capital markets products that are specified products**~~securities~~, which has lodged with the Authority a deposit under regulation 7, ceases to carry on business in dealing in **capital markets products that are specified products**~~securities~~;
- (b) a capital markets services licence to deal in **capital markets products that are specified products**~~securities~~ has lapsed or has been revoked by the Authority; or
- (c) the holder of a capital markets services licence to deal in **capital markets products that are specified products**~~securities~~ is admitted as a member of an **approved exchange**~~securities-exchange~~ after it has been granted the licence,

the Authority may release to the holder the deposit or, where any part thereof has previously been paid to a judgment creditor or liquidator or where any claim in respect thereof has previously been allowed, the balance (if any) of the deposit so lodged —

- (i) in the case of sub-paragraph (a), on the expiration of 3 months after service on the Authority of a notice in writing duly signed by or on behalf of the holder stating that it has ceased to carry on such business in Singapore and on the Authority being satisfied that the holder has not, from the date of cessation of business indicated on the notice, carried on such business in Singapore; and
- (ii) in every case, on the Authority being satisfied that all the liabilities in Singapore of the holder in respect of its dealing in securities are fully liquidated or provided for.

(2) The Authority may cause every notice served on it under paragraph (1)(i) and its decision with regard to the proposed release of the deposit or the balance thereof to be published at the cost of the holder in such manner as the Authority thinks fit.

Lapsing of capital markets services licence

9. For the purposes of section 95(1)(b) of the Act, where the Authority has not revoked a capital markets services licence under section 95(2) of the Act, or suspended the capital markets services licence under section 95(3) of the Act, the licence shall lapse —

- (a) if the holder has not commenced business in at least one of the regulated activities to which the licence relates within 6 months (or such longer period as the Authority may allow) from the date of the grant of the licence, immediately upon the expiry of that period; or

(b) if the holder —

- (i) has ceased to carry on business in all of the regulated activities to which the licence relates;
- (ii) has not resumed business in any of those regulated activities for a continuous period of 2 months from the date of cessation of business; and
- (iii) has not notified the Authority of such cessation of business at any time during the period of 2 months,

immediately upon the expiry of that period of 2 months.

[S 709/2010 wef 26/11/2010]

Cessation of status of appointed representative

9A. For the purpose of section 99D(4)(e) of the Act, unless the Authority has revoked the status of an individual as an appointed representative under section 99M(1) of the Act, or suspended that status under section 99M(2)(a) of the Act, the individual shall cease to be an appointed representative in respect of all types of regulated activity if —

(a) before the end of the period of 6 months (or such longer period as the Authority may allow in any particular case) from —

- (i) the date his name was entered in the public register of representatives as an appointed representative ; or
- (ii) if he was an appointed representative by virtue of the Securities and Futures (Representatives) (Transitional and Savings Provisions) Regulations 2010 (G.N. No. S 712/2010), the date when he was granted a representative's licence under section 87 of the Act in force immediately before 26th November 2010

the appointed representative has not commenced to act as a representative in at least one of the regulated activities that he was appointed to carry out as a representative; or

(b) the appointed representative —

- (i) has ceased to act as a representative in respect of all of the regulated activities he was appointed to carry out as a representative; and
- (ii) has not resumed acting as such a representative in respect of any of those regulated activities for a continuous period of one month from the date of cessation,

and his principal has not notified the Authority of such cessation at any time during that period of one month.

[S 709/2010 wef 26/11/2010]

10. [Deleted by S 709/2010 wef 26/11/2010]**Cessation of business by holder**

11.—(1) Where any of the following circumstances relating to the holder's cessation of business occurs, the holder shall, within 14 days from the date of cessation, return its capital markets services licence to the Authority and lodge with the Authority a notice in Form 7:

- (a) the holder ceases to carry on business in every type of the regulated activities to which its licence relates,
- (b) the holder ceases to carry on business in any type of regulated activity to which its licence relates but has not ceased to carry on business in the remaining types of regulated activities;
- (c) where the holder is licensed to carry on business in the regulated activity dealing in capital markets products, the holder ceases to deal in capital markets products in respect of any type of capital markets products to which its licence relates but has not ceased to deal in capital markets products in respect of the remaining types of capital markets products to which its licence relates.

(2) Where any of the following circumstances relating to the holder's commencement or non-commencement of business occurs, the holder shall immediately return its capital markets services licence to the Authority and lodge with the Authority a notice in Form 7:

- (a) the holder has not commenced business in every type of regulated activity to which the licence relates by the end of the period of 6 months (or such longer period as the Authority may allow in any particular case) from the date of the grant of the licence;
- (b) the holder has commenced business in any type of regulated activity but not all the types of regulated activity to which the licence relates by the end of the period of 6 months (or such longer period as the Authority may allow in any particular case) from the date of the grant of the licence;
- (c) where the holder is licensed to carry on business in the regulated activity dealing in capital markets products, the holder has commenced to deal in capital markets products in respect of any type of capital markets products but not all types of capital markets products to which its licence relates, by the end of the period of 6 months (or such longer period as the Authority may allow in any particular case) from the date of the grant of the licence.

(3) Upon receipt of the notice and licence referred to in paragraph (1) or (2), the Authority may cancel the licence and, in the case referred to in –

(a) paragraph (1)(b) or (2)(b), issue to the holder a new capital markets services licence in respect of the type or types of regulated activities in which the holder carries on business; or

(b) paragraph (1)(c) or (2)(c), issue to the holder a new capital markets services licence in respect of the regulated activity of dealing in capital markets products that are the types of capital markets products in which the holder carries on business.

~~(1) Where the holder of a capital markets services licence ceases to carry on business in every type of the regulated activities to which its licence relates, it shall, within 14 days from the date of cessation, return its licence to the Authority and lodge with the Authority a notice in Form 7.~~

~~(2) Where the holder of a capital markets services licence ceases to carry on business in any type of regulated activity to which its licence relates but has not ceased to carry on business in the remaining types of regulated activities, it shall, within 14 days from the date of cessation, return its licence to the Authority and lodge with the Authority a notice in Form 7.~~

~~(3) Where the holder of a capital markets services licence has, by the end of the period of 6 months (or such longer period as the Authority may allow in any particular case) from the date of the grant of the licence, commenced business in one or more but not all the types of regulated activity to which the licence relates, it shall immediately return its licence to the Authority and lodge with the Authority a notice in Form 7.~~

~~(4) Where the holder of a capital markets services licence has not commenced business in every type of regulated activity to which the licence relates by the end of the period of 6 months (or such longer period as the Authority may allow in any particular case) from the date of the grant of the licence, it shall immediately return its licence to the Authority and lodge with the Authority a notice in Form 7.~~

~~(5) Upon receipt of the notice and licence referred to in paragraph (1), (2), (3) or (4), the Authority shall cancel the licence and, in the case referred to in paragraphs (2) and (3), issue to the holder a new licence in respect of the remaining type or types of regulated activities~~

[S 709/2010 wef 26/11/2010]

Variation of capital markets services licence

11A.—(1) An application for the variation of a capital markets services licence under section 90 of the Act shall be in Form 5 and shall be lodged with the Authority together with any relevant annex and information as may be specified in the Form or by the Authority from time to time.

(2) Where the Authority adds to, varies or revokes any condition or restriction of a capital markets services licence or imposes further conditions or restrictions on such a licence, the Authority may require the holder to return its licence to the Authority for

cancellation and issuance of a new licence, and the holder shall comply with such a requirement.

(3) Where the Authority has approved an application of the holder of a capital markets services licence under section 90(1) of the Act to add to its licence one or more types of regulated activity, the holder shall immediately return its licence to the Authority for cancellation and issuance of a new licence.

[S 709/2010 wef 26/11/2010]

Lodgment of particulars of cessation

11B.—(1) For the purposes of sections 99D(8), 99E(4) read with 99D(8) of the Act and section 99F(4) read with 99D(8) of the Act, particulars that an individual has ceased to be a representative of a principal, or has ceased to carry on business in any type of regulated activity which he is appointed to carry on business in, shall be furnished to the Authority in Form 8.

(2) Where an appointed representative has ceased to be a representative under regulation 9A(a), his principal shall immediately lodge with the Authority a notice of such cessation in Form 8.

[S 709/2010 wef 26/11/2010]

Application for appointment of chief executive officer and director

12. —(1) For the purposes of section 96(1) of the Act, the holder of a capital markets services licence shall submit to the Authority an application for approval of the appointment of a person (referred to in this regulation as the appointee) as its chief executive officer or director, or to change the nature of the appointment of a person as a director from one that is non-executive to one that is executive, in Form 11.

(2) For the purposes of section 96(2) of the Act, the criteria to which the Authority may have regard in determining whether to grant its approval in respect of an application made under paragraph (1) are —

- (a) whether the holder has provided the Authority with such information relating to the appointee or director as the Authority may require;
- (aa) whether the appointee or director has had a prohibition order under section 101A of the Act made by the Authority against him that still remains in force;
- (b) whether the appointee or director is an undischarged bankrupt in Singapore or elsewhere;
- (c) whether execution against the appointee or director in respect of a judgment debt has been returned unsatisfied in whole or in part;

[S 709/2010 wef 26/11/2010]

- (d) whether the appointee or director has, in Singapore or elsewhere, entered into a compromise or scheme of arrangement with his creditors, being a compromise or scheme of arrangement that is still in operation;
- (e) whether the appointee or director —
 - (i) has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty or the conviction for which involved a finding that he had acted fraudulently or dishonestly; or
 - (ii) has been convicted of an offence under the Act;
- (f) the educational or other qualification, experience or expertise of the appointee or director, having regard to the nature of the duties he is to perform as a chief executive officer, director or executive director, as the case may be, of the holder;
- (g) whether the appointee or director is a fit and proper person to be a chief executive officer, director or executive director, as the case may be, of the holder;
- (h) the financial standing of the appointee or director;
- (i) the past performance of the appointee or director, having regard to the nature of the duties he is to perform as a chief executive officer, director or executive director, as the case may be, of the holder; and
- (j) whether there is reason to believe that the appointee or director will not conduct himself professionally or act in an ethical manner in discharging the duties he is to perform as a chief executive officer, director or executive director, as the case may be, of the holder.

Duties of holder of capital markets services licence

13. The holder of a capital markets services licence shall —

- (a) comply with all laws and rules governing the holder's operations; and
- (b) in a manner that is commensurate with the nature, scale and complexity of the business of the holder —
 - (i) implement, and ensure compliance with, effective written policies on all operational areas of the holder, including the holder's financial policies, accounting and internal controls, and internal auditing;
 - (ii) put in place compliance function and arrangements including specifying the roles and responsibilities of officers and employees of the holder in helping to ensure its compliance with all applicable laws, codes of conduct and standards of good practice in order to protect investors and reduce the holder's risk of incurring legal or regulatory sanctions that may be imposed by the Authority or any other public authority, financial loss, and reputational damage;

- (iii) identify, address and monitor the risks associated with the trading or business activities of the holder;
- (iv) ensure that the business activities of the holder are subject to adequate internal audit;
- (v) ensure that the internal audit of the holder or the holder's holding company (if any) includes inquiring into the holder's compliance with all relevant laws and all relevant business rules of any ~~approved exchange securities exchange, futures exchange~~ and ~~approved clearing house clearing house~~;
- (vi) set out in writing the limits of the discretionary powers of each officer, committee, sub-committee or other group of persons of the holder empowered to commit the holder to any financial undertaking or to expose the holder to any business risk (including any financial, operational or reputational risk);
- (vii) keep a written record of the steps taken by the holder to monitor compliance with its policies, its accounting and operating procedures, and the limits on discretionary powers;
- (viii) ensure the accuracy, correctness and completeness of any report, book or statement submitted by the holder to its head office (if any) or to the Authority; and
- (ix) ensure effective controls and segregation of duties to mitigate potential conflicts of interest that may arise from the operations of the holder.

[S 170/2013 wef 28/03/2013]

Criteria for determining if chief executive officer or director of holder of capital markets services licence has breached duties

13A. For the purposes of section 97(2) of the Act and without prejudice to any other matter that the Authority may consider relevant, the Authority shall, in determining whether a chief executive officer or a director of the holder of a capital markets services licence has failed to discharge the duties or functions of his office, have regard to whether the chief executive officer or director has ensured compliance by the holder with each of the duties specified in regulation 13.

[S 170/2013 wef 28/03/2013]

Duties of holder of capital markets services licence for regulated activity of fund management

13B.—(1) Without prejudice to regulation 13, the holder of a capital markets services licence for fund management shall —

- (a) put in place a risk management framework (that identifies, addresses and monitors the risks associated with assets under its management) which is appropriate to the nature, scale and complexity of the assets;
- (b) subject assets under its management to independent valuation for the purpose of determining their respective net asset values, and ensure that a party independent of the holder conveys such values to the customers to which the assets relate or, if the assets are in the form of units in a closed-end fund or collective investment scheme, to the unitholders of the fund or scheme;
- (c) segregate assets under its management, other than assets which are already subject to regulation 17 or 27 (as the case may be), from the proprietary assets of the holder or the holder's related corporations or connected persons, and maintain them in —
 - (i) a trust account with any financial institution referred to in regulation 17(1)(a), (b) or (c), or with a custodian outside Singapore which is licensed, registered or authorised to conduct banking business in the country or territory where the account is maintained; or
 - (ii) a custody account with any financial institution or other person referred to in regulation 27(1)(a) to (f), or with a custodian outside Singapore which is licensed, registered or authorised to act as a custodian in the country or territory where the account is maintained;
- (d) accord priority to transactions for the purchase or sale of **capital markets products** ~~securities or futures contracts~~, or to investments, made on behalf of its customers, over those made for any of the following persons:
 - (i) the holder;
 - (ii) the holder's associated persons;
 - (iii) the holder's officers;
 - (iv) the holder's employees;
 - (v) the holder's representatives;
 - (vi) any person whom the holder knows to be an associated person of any person referred to in sub-paragraph (iii), (iv) or (v); and
- (e) mitigate conflicts of interest arising from the management of assets and, where appropriate, disclose such conflicts of interest to the customer concerned.

(2) A transaction made for any person referred to in sub-paragraphs (i) to (vi) of paragraph (1)(d) excludes any transaction for the purchase or sale of **capital markets products or investments** ~~securities or futures contracts~~ which are, or are to be, beneficially owned by a person who is not referred to in sub-paragraphs (i) to (vi) of paragraph (1)(d).

(3) In paragraph (1)(d), a person is an associated person of another person if the first-mentioned person is —

- (a) a related corporation of the second-mentioned person;
- (b) a connected person of the second-mentioned person;
- (c) a person who is accustomed or is under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the second-mentioned person in relation to a transaction or investment referred to in paragraph (1)(d); or
- (d) a corporation which is, or the directors of which are, accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the second-mentioned person in relation to a transaction or investment referred to in paragraph (1)(d).

(4) Paragraph (1)(c) does not apply to the following assets under the management of the holder:

- (a) ~~capital markets products~~~~securities~~ which are not listed for quotation or quoted on ~~an organised market~~~~a securities market~~;
- (b) interests in a closed-end fund, where —
 - (i) the closed-end fund is to be used for private equity or venture capital investments; and
 - (ii) interests in the closed-end fund are offered only to accredited investors or institutional investors or both,
 and the holder has —
 - (A) disclosed the fact that the assets are not maintained in a trust account or custody account in accordance with paragraph (1)(c) to the customer and obtained the customer's acknowledgement of the custody arrangement; and
 - (B) arranged for an auditor to audit the assets on an annual basis and furnish a report on the audit to the customer.

(5) For the purposes of this regulation, assets are under the management of the holder of a licence if they are the subject of fund management carried out directly by the holder, or indirectly by the holder through another entity.

[S 170/2013 wef 28/03/2013]

Criteria for determining if chief executive officer or director of holder of capital markets services licence for fund management has breached duties

13C. For the purposes of section 97(2) of the Act and without prejudice to regulation 13A and any other matter that the Authority may consider relevant, the Authority shall, in determining whether a chief executive officer or a director of the holder of a capital

markets services licence for fund management has failed to discharge the duties or functions of his office, have regard to whether the chief executive officer or director has ensured compliance by the holder with each of the duties specified in regulation 13B.

[S 170/2013 wef 28/03/2013]

Risk mitigation

13D.—(1) A person exempted under section 99(1)(a), (b) or (c) of the Act shall, for the purpose of dealing in capital markets products that are uncleared derivatives contracts with counterparties who are accredited investors, expert investors or institutional investors, implement effective written policies and operating procedures in relation to –

- (a) ensuring written trading relationship documentations are executed by the person with its counterparties, prior to or contemporaneously with every uncleared derivatives contract entered into between the person and its counterparties;
- (b) providing confirmations of the material terms of every uncleared derivatives contract as soon as practicable after the date of execution of the contract;
- (c) carrying out reconciliation, at regular intervals, of the material terms and valuations concerning the person's portfolio of uncleared derivatives contracts entered with its counterparties;
- (d) assessing at regular intervals and, to the extent appropriate, engaging in portfolio compression in relation to the person's portfolio of uncleared derivatives contracts; and
- (e) resolving, as soon as practicable, disputes arising from discrepancies in any material terms, or the valuation, of any uncleared derivatives contract.

(2) Without prejudice to paragraph (1)(a), the person may, for the purpose of entering into a single, one-off transaction in an uncleared derivatives contract with its counterparties, execute a trade confirmation that includes all material rights and obligations of the counterparties to the contract.

(3) In this regulation, “portfolio compression” means a risk reduction exercise in which two or more counterparties wholly or partially terminate some or all of the derivatives contracts submitted by those counterparties involved in the exercise and replace the terminated derivatives contracts with another derivatives contracts whose combined notional value is less than the combined notional value of the terminated derivatives contracts.

Exemptions

14.—(1) Each person specified in the Second Schedule is exempted from section 82(1) or section 99B(1) (as the case may be) of the Act, in the circumstances specified in that Schedule.

(2) Where a person acts as a representative of any person specified in paragraphs 1 to 7 of the Third Schedule to the Act (referred to in this paragraph as the principal), he shall be exempted from section 99B(1) of the Act, in so far as —

- (a) the type and scope of the regulated activity carried out by the person acting as a representative are within or the same as the type and scope of the regulated activity carried out by the principal in his capacity as specified in the relevant paragraph of the Third Schedule to the Act; and
- (b) the manner in which the person acting as a representative carries out the regulated activity is the same as the manner in which the principal carries out the regulated activity in his capacity as specified in the relevant paragraph of the Third Schedule to the Act.

(3) Where a person acts as a representative of a foreign company specified in paragraph 9 of the Third Schedule to the Act, the person acting as a representative shall be exempted from section 99B(1) of the Act, in so far as he complies with every condition or restriction imposed on the foreign company pursuant to an approval granted for the arrangement between the foreign company and its related corporation under that paragraph, where such condition or restriction is applicable to him.

(4) A person who is exempted from holding a capital markets services licence under section 99(1)(a), (b), (c) or (d) of the Act shall lodge with the Authority —

(a) where the person commences business in any regulated activity or any additional regulated activity, **or where the person commences business in the regulated activity of dealing in capital markets products for any additional types of capital markets product**, a notice of such commencement in Form 26 not later than 14 days prior to the commencement or such later date as the Authority may allow in any particular case;

(b) where the person ceases business in any or all of the regulated activities for which notice has been given in —

- (i) Form 26 under sub-paragraph (a);
- (ii) Form 26 under regulation 14(4)(a) in force immediately before 26th November 2010; or
- (iii) Form 27 under regulation 14(4)(b) in force immediately before 26th November 2010,

a notice of cessation in Form 29, not later than 14 days after the cessation or such later date as the Authority may allow;

(c) where there is any change in any particulars required to be notified in —

- (i) Form 26 under sub-paragraph (a);
- (ii) Form 26 under regulation 14(4)(a) in force immediately before 26th November 2010; or

- (iii) Form 27 under regulation 14(4)(b) in force immediately before 26th November 2010,
a notice of such change in Form 27, not later than 14 days after the date of change or such later date as the Authority may allow in any particular case; and
- (d) a declaration by the person in Form 28 within 14 days or such longer period as the Authority may allow after the end of the financial year of the person.

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Holders of capital markets services licences and representatives, etc., to be fit and proper persons

- 14A.** —(1) The holder of a capital markets services licence shall ensure that —
- (a) it is a fit and proper person to carry on business in the regulated activity for which it is licensed;
 - (b) its representatives are fit and proper persons to carry out that regulated activity as its representatives;
 - (c) its chief executive officer, directors or equivalent persons are fit and proper persons for office; and
 - (d) its substantial shareholders or equivalent persons are fit and proper persons in their capacity as such.
- (2) For the purposes of section 99(4) of the Act —
- (a) a person who is exempted from holding a capital markets services licence under section 99(1)(a), (b), (c), (d), (f) or (g) of the Act shall ensure that —
 - (i) he is a fit and proper person to carry on business in the regulated activity for which he is exempted; and
 - (ii) his representatives are fit and proper persons to carry out that regulated activity as his representatives; and
 - (b) a Registered Fund Management Company or a person who is exempted from holding a capital markets services licence under paragraph 7(1)(b) of the Second Schedule shall ensure that —
 - (i) he is a fit and proper person to carry on business in the regulated activity for which he is exempted;
 - (ii) his representatives are fit and proper persons to carry out that regulated activity as his representatives; and
 - (iii) where the person is an entity —

- (A) its directors or equivalent persons are fit and proper persons for office;
- (B) its substantial shareholders or equivalent persons are fit and proper persons to be in such capacity; and
- (C) persons (other than a person referred to in sub-paragraph (A) or (B)) alone or acting together with any connected person, who —
 - (CA) control, directly or indirectly, not less than 20% of the voting power or such equivalent decision-making power in the entity; or
 - (CB) acquire or hold, directly or indirectly, not less than 20% of the issued shares or such equivalent share of ownership of the entity,

[S 385/2012 wef 07/08/2012]

are fit and proper persons to control such power or hold such shares or share of ownership.

[S 709/2010 wef 26/11/2010]

PART III

CUSTOMER'S MONEYS AND ASSETS

Division 1 — Definitions

Definitions of this Part

15. —(1) In Part V of the Act and this Part, “customer”, in relation to the holder of a capital markets services licence, does not include —

- (a) the holder in carrying out any regulated activity for its own account;
- (b) an officer, an employee or a representative of the holder; or
- (c) a related corporation of the holder with respect to an account belonging to and maintained wholly for the benefit of that related corporation.

(2) For the purposes of this Part, a reference to money received on account of a customer of the holder of a capital markets services licence includes —

- (a) money received from, or on account of, the customer in respect of a sale or purchase of ~~any capital markets products~~~~futures contract or a transaction connected with leveraged foreign exchange trading~~;

- (b) money received from, or on account of, the customer for the purchase of or holding of ~~any capital markets products~~~~securities~~, or the maintenance of a ~~securities~~-trading account ~~for any capital markets products~~ by the customer;
- (c) money received for the account of the customer in respect of a sale of securities;
- (d) money received from, or on account of, the customer, where the holder provides ~~product~~~~securities~~ financing to such customer;
- (e) money received from, or on account of, the customer for the purpose of managing the customer's funds; and
- (f) money received from, or on account of, the customer in the course of the business of the holder,

but does not include —

- (i) money which is to be used to reduce the amount owed by the customer to the holder;
- (ii) money which is to be paid to the customer or in accordance with the customer's written direction;
- (iii) money which is to be used to defray the holder's brokerage and other proper charges; ~~and~~
- (iv) money which is to be paid to any other person entitled to the money;
- (v) money referred to in paragraph 3(b); and
- (vi) money received from, or on account of, the customer who is an accredited investor, expert investor or institutional investor in connection with any specified unlisted derivatives contract executed by that customer.

(3) In this Part —,

- (a) “customer's assets”, in relation to the holder of a capital markets services licence, means securities and assets (other than money), including Government securities and certificates of deposits, that are beneficially owned by a customer of the holder, ~~but does not include:~~
 - (i) assets received from, or on account of, the customer who is an accredited investor, expert investor or institutional investor in connection with any specified uncleared derivatives contract executed by that customer; or
 - (ii) assets referred to in paragraph 3(b); and
- (b) where a customer transfers the title and interest in the moneys or assets to a holder of a capital markets services licence for the purpose of securing or otherwise covering present or future, actual or contingent or prospective

obligations, such moneys or assets will not be regarded as customer's money or assets.

Division 2 — Customer's Moneys

Money received on account of customer

16.—(1) The holder of a capital markets services licence —

(a) shall treat and deal with all moneys received on account of its customer as belonging to that customer;

(aa) where its customer is a person other than an accredited investor, expert investor or institutional investor, shall deposit all moneys received on account of that customer —

(i) in connection with any over-the-counter derivatives contracts executed by the customer, in a trust account;

(ii) in any other case, in any other trust account or other type of account directed by the customer, that is established in the name of the customer and maintained with a financial institution specified in regulations 17(1) or (2);

(b) where its customer is an accredited investor, expert investor or institutional investor, shall deposit all moneys received on account of ~~that its~~ customer in a trust account or in any other account directed by the customer; and

(c) shall not commingle moneys received on account of its customer with other funds, or use the moneys as margin or guarantee for, or to secure any transaction of, or to extend the credit of, any person other than the customer.

(2) The holder shall deposit the money received on account of its customer in the trust account no later than the business day immediately following the day on which the holder receives such money or is notified of the receipt of such money, whichever is the later, unless the money has in the meantime been paid to the customer or deposited in an account directed by the customer or unless it is deposited in accordance with regulation 19 or invested in accordance with regulation 20.

(3) In paragraph (2), “business day” means the business day of the holder or, if the custodian with whom the trust account is maintained is closed for business on that day and the holder is unable to deposit the money in the account, the next business day of the custodian.

(4) Moneys received by the holder on account of its customers ~~may be commingled and deposited in the same trust account.~~

(a) under paragraph (1)(aa)(i) may be commingled and deposited in the same trust account; and

(b) under paragraph (1)(aa)(ii) and (b), may be commingled and deposited in the same trust account which is distinct and separate from the trust account mentioned in sub-paragraph (a); and

(5) Where the holder provides a customer the option of separating the books for any moneys received from or on the account of the customer in connection with over-the-counter derivatives contract executed by the customer, from the books for any other moneys received on the account of the customer or from the books for any moneys received from or on the account of any other customers of the holder, the holder shall disclose to the customer –

(a) the additional costs that the customer has to bear if he chooses such an arrangement; and

(b) the difference between the level of protection accorded by such an arrangement and that accorded by the arrangement referred to in sub-paragraph (4).

Maintenance of trust account with specified financial institutions

17.—(1) The holder of a capital markets services licence shall maintain a trust account in which it deposits moneys received on account of its customer with —

(a) a bank licensed under the Banking Act (Cap. 19);

(b) a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186); or

(c) a finance company licensed under the Finance Companies Act (Cap. 108).

(2) Without prejudice to paragraph (1) and subject to the customer's prior written consent, the holder may, for the purpose of depositing moneys received on account of its customer which are denominated in a foreign currency in a trust account **or customer's segregated account**, maintain the trust account **or customer's segregated account** with a custodian outside Singapore which is licensed, registered or authorised to conduct banking business in the country or territory where the account is maintained.

(3) Paragraph (2) shall not apply to a holder who received moneys which are denominated in a foreign currency on account of a customer who is not an accredited investor, expert investor or institutional investor and in respect of the customer's transactions in any over-the-counter derivatives contracts.

(4) The holder shall before depositing moneys received on account of its customer in the trust account, disclose to its customer –

(a) that the customer's moneys are held by a financial institution specified in paragraph (1) or (2) on behalf of the holder;

(b) whether the customer's moneys are deposited in the same trust account, and commingled with the moneys, of other customers of the holder and the existence of any holding chain and;

- (c) where the moneys are deposited in the same trust account, and commingled with the moneys, of other customers, the effect of such pooling in the event of insolvency of the financial institution specified in paragraph (1) or (2), as the case may be, with whom the account is maintained;
- (d) the risks associated with the arrangements adopted by the holder in respect of the customer's moneys; and
- (e) where the customer's moneys are placed in a custody account with a custodian outside Singapore pursuant to paragraph (2), that in relation to the customer's moneys, the laws and practices of the jurisdiction under which the custodian is licensed, registered or authorised, may not provide protection to the customer in relation to its moneys comparable to the protection accorded to the customer under these Regulations.

Suitability of specified financial institutions

17A.—(1) The holder of a capital markets services licence which maintains its customer's moneys in a trust account under regulation 17 shall —

- (a) before opening the trust account, conduct due diligence as to the suitability of the financial institution specified in paragraph (1) or (2), as the case may be, for the holder's customer or class of customers;
- (b) on periodic basis, conduct due diligence to satisfy itself that the financial institution specified in paragraph (1) or (2), as the case may be, remains suitable for the holder's customer or class of customers;
- (c) document the procedures for the conduct of due diligence referred to in subparagraph (1)(a) and (b), including the frequency of the periodic reviews, and the approval of the holder's senior management for such procedures; and
- (d) maintain records of the grounds on which it has satisfied itself of the suitability of the financial institution specified in paragraph (1) or (2), as the case may be.

(2) Paragraph (1) does not apply when the holder of a capital markets services licence maintains the moneys of the holder's customer who is an institutional investor, accredited investor or expert investor in a deposit account established by the customer in the name of that customer and maintained with a financial institution specified in paragraph (1) or (2).

Notification and acknowledgment from specified financial institutions

18.—(1) Where the holder of a capital markets services licence opens a trust account with a financial institution specified in regulation 17(1), the holder shall, before depositing moneys received on account of its customer in the account, give written notice to the financial institution and obtain an acknowledgment from the financial institution that —

- (a) all moneys deposited in the trust account are held on trust by the holder for its customer and the financial institution cannot exercise any right of set-off against the moneys for any debt owed by the holder to the financial institution; and
- (b) the account is designated as a trust account, or a customer's or customers' account, which shall be distinguished and maintained separately from any other account in which the holder deposits its own moneys.

(2) Where the holder of a capital markets services licence opens a trust account or customer's segregated account with a custodian outside Singapore pursuant to regulation 17(2), the holder shall, before depositing moneys received on account of its customer in the trust account or customer's segregated account, give written notice to the custodian and obtain an acknowledgment from the custodian that —

- (a) all moneys deposited in the account are held by the holder for its customer and the custodian cannot exercise any right of set-off against the moneys for any debt owed by the holder to the financial institution; and
- (b) the account is designated as a customer's or customers' account, which shall be distinguished and maintained separately from any other account in which the holder deposits its own moneys.

Customer's money held with a clearing house, etc.

19. Notwithstanding regulations 16 and 17—, the holder of a capital markets services licence to deal in capital markets products may deposit moneys received on account of its customer with an approved clearing house, a recognised clearing house, an overseas clearing house or a member of an approved exchange, a recognised market operator or an overseas exchange, or a member of an approved clearing house, a recognised clearing house, or an overseas clearing house —

- (a) for the purpose of facilitating the continued holding of a position or facilitating of a transaction, in any capital markets products traded, or to be entered, for the customer on the approved exchange, recognised market operator or overseas exchange;
- (b) for the purpose of facilitating the continued holding of a position in any capital market products cleared, or to be cleared, by the approved clearing house, recognised clearing house or overseas clearing house for the customer;
- (c) for the settlement of a position or transaction in any capital markets products traded on the approved exchange, recognised market operator, or overseas exchange or an over-the-counter derivatives contract cleared by the approved clearing house, recognised clearing house or overseas clearing house, for the customer; or

- (d) for any other purpose specified under the business rules and practices of the approved exchange, recognised market operator, overseas exchange, approved clearing house, recognised clearing house, or overseas clearing house, as the case may be.
- ~~(a) the holder of a capital markets services licence to trade in futures contracts may deposit moneys received on account of its customer with a clearing house, a member of a futures exchange or a member of an overseas futures exchange—~~
- ~~(i) for the purpose of facilitating the continued holding of a futures position or facilitating a transaction in a futures contract to be entered into for the customer;~~
 - ~~(ii) for the settlement of a transaction in a futures contract for the customer; or~~
 - ~~(iii) for any other purpose specified under the business rules and practices of the clearing house, futures exchange or overseas futures exchange, as the case may be; and~~
- ~~(b) the holder of a capital markets services licence to deal in securities may deposit moneys received on account of its customer with a clearing house or a member of a securities exchange for a purpose specified under the business rules and practices of the clearing house or securities exchange, as the case may be.~~

Investment of moneys received on account of customers

20.—(1) Notwithstanding regulations 16 and 17, the holder of a capital markets services licence may hold moneys received on account of its customer on trust for the customer, including moneys which the holder may from time to time advance to the customer's trust account in accordance with regulation 23, in any of the following forms of investment:

- (a) any Government securities;
- (b) any debt instrument of the government of the country of **an organised market** ~~the securities market or futures market, or securities exchange or futures exchange~~, on which the holder normally transacts its business; or
- (c) any other securities or instrument as the Authority may from time to time, by a guideline issued by the Authority, determine.

(2) The holder of a capital markets services licence maintaining any moneys received on account of its customer in any of the forms of investment specified in paragraph (1) shall keep a record of all transactions relating to such moneys, including —

- (a) the date on which the transaction was made;
- (b) where applicable, the name of the person through whom the transaction was made;

- (c) the amount of money invested in the transaction;
- (d) a description of the transaction;
- (e) the place, if any, where the moneys and assets are kept;
- (f) where applicable, the date on which the subject-matter of the transaction was realised or otherwise disposed of and the amount of money received from the realisation or disposal, if any; and
- (g) where applicable, the name of the person, if any, to whom or through whom the subject-matter of the transaction was disposed of.

Title transfer arrangement of customer's moneys

20A. The holder of a capital markets services licence shall not enter into any contract, arrangement, or transaction, for the purpose of which is to transfer title to, or right or interest in, the moneys of a customer who is not an accredited investor, expert investor or institutional investor, to any other person.

Withdrawal of money from trust account

21. —(1) The holder of a capital markets services licence shall not withdraw any money from a customer's trust account except for the purpose of —

- (a) making a payment to any person entitled thereto;
- (b) making a payment to meet an obligation of a customer whose money is deposited in that account, being an obligation that arises from any dealing in ~~capital markets products securities, trading in futures contracts or leveraged foreign exchange trading~~, as the case may be, by the holder for the customer;
- (c) defraying its brokerage and other proper charges;
- (d) ~~subject to paragraph (2)~~, making a payment to any other person or account in accordance with the written direction of the customer;
- (e) reimbursing the holder any moneys that it has advanced to the account and any interest and returns that it is entitled to by virtue of regulation 23, so long as such withdrawal does not result in the account becoming under-margined or under-funded;
- (f) making a deposit in accordance with regulation 19 or an investment in accordance with regulation 20; or
- (g) making a payment or withdrawal that is authorised by law.

(2) Sub-paragraph (1)(d) does not apply where —

- (a) the customer is not an accredited investor, expert investor or institutional investor; and

(b) the transfer of the asset is for the purpose of meeting any obligation of the holder under any over-the-counter derivatives contracts executed for or on behalf of such customer or any other customer.

Interest arising from trust account, etc.

22.—(1) Subject to any agreement between the holder of a capital markets services licence and its customer, all interest earned from the maintenance of the moneys received on account of the customer in a trust account, and all returns from the investment of moneys received on account of the customer in accordance with regulation 20, shall accrue to the customer.

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(2) The holder of a capital markets services licence shall take all reasonable steps to ensure that the interest and returns accrued to the customer under paragraph (1) are paid to or held for the benefit of the customer, as the case may be.

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Placement of licensee's own money in trust account

23.—(1) Notwithstanding regulation 16(1), the holder of a capital markets services licence may from time to time advance sufficient money to a customer's trust account from its own funds —

- (a) to prevent the customer's trust account from being under-margined or under-funded; or
- (b) to ensure the continued maintenance of that account in a case where it is maintained with —
 - (i) a financial institution specified in regulation 17(1); or
 - (ii) a custodian specified in regulation 17(2).

[S 373/2005 wef 01/07/2005]

(2) The holder may retain any interest earned and return arising on the moneys which it has so advanced to the account.

(3) Subject to regulation 21(e), any money belonging to the holder that is deposited into a customer's trust account may be used for the purpose of payment to the customer.

No effect on lawful claims or liens

24. Nothing in this Division shall be construed as avoiding or affecting any lawful claim or lien which any person has in respect of any money held in a trust account in accordance with this Division or any money belonging to a customer before the money is paid into a trust account.

Division 3 — Customer's Assets

Application of this Division

25.—(1) This Division shall apply to customer's assets received by the holder of a capital markets services licence to be held on account of the customer or as collateral for any amount owed by the customer to the holder.

(2) In this Division, “custodian” means a person referred to in regulation 27(1), (2) or (3), as the case may be.

Duties of holder on receipt of customer's assets

26.—(1) The holder of a capital markets services licence shall —

- (a) deposit a customer's assets in a custody account held on trust for the customer;
- (b) ensure that the customer's assets are not commingled with any other assets; and

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- (c) make arrangements for a custodian to maintain the custody account.

(2) The holder shall deposit the customer's assets in the custody account no later than the business day immediately following the day on which the holder receives such assets or is notified of the receipt of such assets, whichever is the later, unless the assets

- (a) have in the meantime been returned to the customer; or
- (b) are deposited in accordance with regulation 30 or subject to paragraph (2A), deposited in an account directed by the customer.

(2A) Notwithstanding paragraph (2), where the customer is not an accredited, investor, expert investor or institutional investor, the holder shall deposit the customer's assets in an account directed by the customer if and only if the account is established in the name of the customer and maintained with a custodian specified in regulation 27(1) or (3).

~~have in the meantime been returned to the customer or deposited in an account directed by the customer or unless it is deposited in accordance with regulation 30.~~

(3) In paragraph (2), “business day” means the business day of the holder or, if the custodian with whom the custody account is maintained is closed for business on that day and the holder is unable to deposit the assets in the account, the next business day of the custodian.

(4) A customer's assets may be commingled with the assets of another customer and deposited in the same custody account.

Maintenance of custody account with specified custodians

27.—(1) Subject to regulation 30, the holder of a capital markets services licence shall maintain a custody account in which it deposits a customer's assets with —

- (a) a bank licensed under the Banking Act (Cap. 19);
- (b) a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186);
- (c) a finance company licensed under the Finance Companies Act (Cap. 108);
- (d) a depository agent within the meaning of section ~~81SF130A~~ of the ~~Act Companies Act (Cap. 50)~~ for the custody of ~~capital markets products~~~~securities~~ listed for quotation or quoted on the Singapore Exchange Securities Trading Limited or deposited with the Central Depository (Pte) Ltd;
- (e) an approved trustee for a collective investment scheme within the meaning of section 289 of the Act; or
- (f) any person licensed under the Act to provide custodial services ~~for securities~~.

(2) Without prejudice to paragraph (1), the holder may maintain the custody account itself where it is licensed under the Act to provide custodial services ~~for securities~~.

(3) Without prejudice to paragraph (1) and subject to the customer's prior written consent, the holder may, for the purpose of the safe custody of the customer's assets denominated in a foreign currency, maintain the custody account with a custodian outside Singapore which is licensed, registered or authorised to act as a custodian in the country or territory where the account is maintained.

~~(4) The holder shall before depositing assets received on account of its customer in the custody account, disclose to its customer—~~

- ~~(a) that the customer's assets are held by a custodian specified under paragraph (1) or (3) on behalf of the holder;~~
- ~~(b) whether the customer's assets are deposited in the same custody account, and commingled with the assets of other customers of the holder and the existence of any holding chain and;~~
- ~~(c) where the assets are deposited in the same custody account, and commingled with the assets of other customers, the risks of such pooling in the event of insolvency of the custodian specified under paragraph (1) or (3) with whom the account is maintained;~~
- ~~(d) the risks associated with the arrangements adopted by the holder in respect of the customer's assets; and~~

- (e) where the customer's assets are placed in a custody account with a custodian outside Singapore pursuant to paragraph (3), that in relation to the customer's assets, the laws and practices of the jurisdiction under which the custodian is licensed, registered or authorised, may not provide protection to the customer in relation to its assets comparable to the protection accorded to the customer under these Regulations.

Notification and acknowledgment from specified custodians

28.—(1) Where the holder of a capital markets services licence opens a custody account with a custodian specified in regulation 27(1), the holder shall, before depositing a customer's assets in the account, give written notice to the custodian, and obtain an acknowledgment from the custodian that —

- (a) all assets deposited in the custody account are held on trust by the holder for its customer; and
- (b) the account is designated as a trust account, or a customer's or customers' account, which shall be distinguished and maintained separately from any other account in which the holder deposits its own assets.

(2) Where the holder of a capital markets services licence opens a custody account with a custodian outside Singapore pursuant to regulation 27(3), the holder shall, before depositing a customer's assets in the custody account, give written notice to the custodian and obtain an acknowledgment from the custodian that —

- (a) all assets deposited in the custody account are held by the holder for its customer; and
- (b) the account is designated as a customer's or customers' account, which shall be distinguished and maintained separately from any other account in which the holder deposits its own assets.

Suitability of custodian

29.—(1) The holder of a capital markets services licence which maintains its customer's assets in a custody account under regulation 27 shall —

- (a) before opening the custody account, conduct due diligence as to the custodian's suitability for the holder's customer or class of customers; ~~and~~
- (aa) on a periodic basis, conduct due diligence to satisfy itself that the custodian specified under paragraphs 27(1) and (3) remains suitable for the holder's customer or class of customers;
- (ab) document the procedures for the conduct of due diligence referred to in subparagraph (1)(a) and (b), including the frequency of the periodic reviews, and the approval of the holder's senior management; and

- (b) maintain records of the grounds on which it has satisfied itself of the suitability of the custodian.

(2) Paragraph (1) shall not apply when the holder of a capital markets services licence who deposits assets of the holder's customer who is an institutional investor, accredited investor or expert investor in a trust account established by that customer and maintained in the name of that customer with a custodian specified under paragraphs 27(1) and (3).

Customer's assets held with clearing house, etc.

30. Notwithstanding regulations 26 and 27 —

- (a) the holder of a capital markets services licence to deal in capital markets products may deposit its customer's assets with an approved clearing house, a recognized clearing house, an overseas clearing house or a member of an approved exchange, a recognised market operator or an overseas exchange, or a member of an approved clearing house, a recognised clearing house, or an overseas clearing house—
- (i) for the purpose of facilitating the continued holding of a position or facilitating of a transaction, in a any capital markets products traded, or to be entered, for the customer on the approved exchange, recognised market operator or overseas exchange entered ;
 - (ii) for the purpose of facilitating the continued holding of a position in any capital markets product cleared or to be cleared by the approved clearing house, recognised clearing house or overseas clearing house for the customer;
 - (iii) for the settlement of a position or transaction in any capital markets products traded or to be entered on the approved exchange, recognised market operator or overseas exchange or an over-the-counter derivatives contract cleared by the approved clearing house, the recognised clearing house or overseas clearing house for the customer; or
 - (iv) for any other purpose specified under the business rules and practices of the approved exchange, recognised market operator, overseas exchange, approved clearing house, recognised clearing house or overseas clearing house, as the case may be.

~~Notwithstanding regulations 26 and 27 —~~

- ~~(a) the holder of a capital markets services licence to trade in futures contracts may deposit its customer's assets with a clearing house, a member of a futures exchange or a member of an overseas futures exchange —~~

- ~~(i) for the purpose of facilitating the continued holding of a futures position or facilitating a transaction in a futures contract to be entered into for the customer;~~
- ~~(ii) for the settlement of a transaction in a futures contract for the customer; or~~
- ~~(iii) for any other purpose specified under the business rules and practices of the clearing house, futures exchange or overseas futures exchange, as the case may be; and~~
- ~~(b) the holder of a capital markets services licence to deal in securities may deposit its customer's assets with a clearing house or a member of a securities exchange for a purpose specified under the business rules and practices of the clearing house or securities exchange, as the case may be.~~

Customer agreement

31.—(1) Where the holder of a capital markets services licence is licensed to provide custodial services ~~for securities~~, the holder shall, before providing custodial services for its customer's assets, notify the customer of the terms and conditions that would apply to the safe custody of the customer's assets.

(2) The terms and conditions that apply to the provision of custodial services ~~for securities~~ by such a holder to its customer shall include —

- (a) the arrangements for the giving and receiving of instructions by or on behalf of the customer in respect of the services to be provided including, where applicable, the arrangements for the giving of authority by the customer to another person and the extent of that authority and any limitation thereto;
- (b) any lien over or security interest in the assets by the holder or a third party;
- (c) the circumstances under which the holder may realise the assets held as collateral to meet the customer's liabilities to the holder;
- (d) where the customer's assets are to be held with a custodian other than the holder, the liability of the holder in the event of default by the custodian;
- (e) where the holder intends to commingle the customer's assets with those of other customers and maintain such assets with a custodian other than itself, a statement that the customer's interest in the assets may not be identifiable by separate certificates, or other physical documents or equivalent electronic records, and a condition that the holder shall maintain records of the customer's interest in the assets that have been commingled;
- (f) the person in whose name the assets are registered;
- (g) the arrangements in relation to claiming and receiving dividends, interest payments and other entitlements accruing to the customer, and the exercise of any right and power arising from ownership of the assets;

- (h) the arrangements for the provision of information relating to the custody of the asset to the customer; and
- (i) all applicable fees and costs for the custody of the assets.

Custody agreement

32.—(1) Subject to paragraph (3), before placing its customer's assets in a custody account with a custodian, the holder of a capital markets services licence shall agree with the custodian, in writing, to the following:

- (a) that the account shall be designated as that of the customer or customers;
- (b) that the custodian shall hold and record the assets in accordance with the holder's instructions; and the records shall identify the assets as belonging to the holder's customer and the assets shall be kept separate from any asset belonging to the holder or to the custodian;
- (c) that the custodian shall not claim any lien, right of retention or sale over any asset standing to the credit of the custody account, except —
 - (i) where the holder has obtained the customer's written consent and notified the custodian in writing of the written consent; or
 - (ii) in respect of any charges as agreed upon in the terms and conditions relating to the administration or custody of the asset;
- (d) that the custodian shall provide sufficient information to the holder in order that the holder may comply with its record-keeping obligations under the Act or these Regulations or under any other law;
- (e) the person in whose name the assets are registered;
- (f) that the custodian shall not permit any withdrawal of the assets from the custody account, except for delivery of the assets to the holder or on the holder's written instructions;
- (g) the arrangements for dealing with any entitlement arising from the assets in the custody account, such as coupon or interest payment;
- (h) the extent of the custodian's liability in the event of any loss of the assets maintained in the custody account caused by fraud or negligence on the part of the custodian or any of the custodian's agents; and
- (i) the applicable fees and costs for the custody of the assets.

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(2) The holder of a capital markets services licence referred to in paragraph (1) shall, before depositing its customer's assets in a custody account, disclose to the customer the terms and conditions agreed with the custodian.

(3) Paragraph (1) shall not apply to the holder of a capital markets services licence who is licensed to provide custodial services in relation to its provision of such services for its customer's assets.

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Lending of customer's specified productssecurities

33.—(1) Notwithstanding regulations 26 and 27, the holder of a capital markets services licence may, subject to the other provisions of this regulation, lend or arrange for a custodian to lend its customer's assets which are **specified productssecurities**.

(2) The holder of a capital markets services licence shall not lend or arrange for a custodian to lend the **specified productssecurities** of a customer, unless it has —

(a) explained the risks involved to the customer; and

(b) obtained the customer's written consent to do so.

(3) Paragraph (2)(a) shall not apply to a holder of a capital markets services licence which lends or arranges for a custodian to lend the **specified productssecurities** of a customer who is an accredited investor, **expert investor or institutional investor**.

(4) The holder of a capital markets services licence which lends its customer's **specified productssecurities** shall, before the commencement of such lending, enter into an agreement with that customer setting out the terms and conditions for such lending with the customer whose **specified productssecurities** are to be lent.

(5) The holder of a capital markets services licence which arranges for a custodian to lend **specified productssecurities** of the holder's customer shall, before the commencement of such lending —

(a) enter into an agreement with the custodian setting out the terms and conditions for the lending; and

(b) disclose these terms and conditions to the customer.

Mortgage of customer's assets

34.—(1) Notwithstanding regulations 26 and 27, the holder of a capital markets services licence may, in the circumstances specified in paragraphs (2) and (4) (but not in any other circumstances), mortgage, charge, pledge or hypothecate its customer's assets.

(2) Subject to paragraph (3) and any agreement between the holder of a capital markets services licence and its customer, where the holder is owed money by the customer, the holder may mortgage, charge, pledge or hypothecate the customer's assets but only for a sum not exceeding the amount owed by the customer to it.

(3) The holder of a capital markets services licence does not contravene paragraph (2) by reason only of an excess arising on any day through the reduction of the amount owed by the customer to the holder on that day, but only if the holder pays or transfers to the mortgagee, chargee or pledgee concerned money or assets of an amount sufficient to reduce such excess as promptly as practicable after the excess occurs and, in any event, no later than the next business day.

(4) The holder of a capital markets services licence may mortgage, charge, pledge or hypothecate the customers' assets together if and only if —

- (a) the sum of the claims to which such customers' assets are subject as a result of such mortgage, charge, pledge or hypothecation does not exceed the aggregate amounts owed by the customers to the holder; ~~and~~
- (b) the claim to which each customer's assets are subject as a result of such mortgage, charge, pledge or hypothecation does not exceed the amount owed by the customer to the holder; ~~and~~
- (c) the holder has informed the customer who is not an accredited investor, expert investor or institutional investor that the holder may mortgage, charge, pledge or hypothecate the customer's assets subject to the limit stipulated in subparagraph 2, explained to the customer the risks arising from mortgaging, charging, pledging or hypothecating the customer's assets involved, and obtained the customer's written consent to do so.

Title transfer arrangements on customer's assets

34A. The holder of a capital markets services licence shall not enter into any contract, arrangement, or transaction, for the purpose of which is to transfer title to, or right or interest in, the assets of a customer who is not an accredited investor, expert investor or institutional investor, to any other person unless the contract, arrangement, or transaction, is in connection with the borrowing or lending of customer's specified products pursuant to regulation 45.

Withdrawal of customer's assets

35.—(1) The holder of a capital markets services licence shall not withdraw any of its customer's assets from a custody account except for the purpose of —

- (a) transferring the asset to any person entitled thereto;
- (b) meeting the customer's obligation arising from any dealing in ~~capital markets products~~~~securities, trading in futures contracts or leveraged foreign exchange trading, as the case may be,~~ by the holder for the customer;
- (c) ~~subject to paragraph (2),~~ transferring the asset to any person or account in accordance with the ~~customer's~~ written directions ~~of the customer;~~
- (d) ~~securities—~~lending of customer's specified products in accordance with regulation 33;

- (e) mortgaging, charging, pledging or hypothecating the assets in accordance with regulation 34;
- (f) making a deposit in accordance with regulation 30; or
- (g) making a transfer that is authorised by law.

(2) Sub-paragraph (1)(c) does not apply where —

- (i) the customer is not an accredited investor, expert investor or institutional investor; and
- (ii) the transfer of the asset is for the purpose of meeting any obligation of the holder under any over-the-counter derivatives contracts executed for or on behalf of such customer or any other customer.

No effect on lawful claims or liens

36. Nothing in this Division shall be construed as avoiding or affecting any lawful claim or lien which any person has in respect of any asset held in a custody account in accordance with this Division or any asset belonging to a customer before the asset is paid into a custody account.

Division 4 — Miscellaneous

Daily Computation for trust accounts and custody accounts

37.—(1) For the purposes of Divisions 2 and 3 and subject to paragraphs (1B) and (1C), the holder of a capital markets services licence ~~to trade in futures contract or carry out leveraged foreign exchange trading~~ shall, at such intervals as it determines to be appropriate but no less frequently than at the close of every business day, compute —

- (a) the total amount of moneys ~~and assets~~ deposited in its customers' trust accounts ~~and custody accounts respectively~~;
- (b) the total amount of its customers' moneys ~~and its customers' assets~~ required under Part V of the Act and these Regulations to be deposited in trust accounts ~~and custody accounts respectively~~; and
- (c) the respective amounts of the holder's residual interest in the trust accounts ~~and custody accounts~~,

as at the end of such interval.

(1A) For the purposes of Divisions 2 and 3 and subject to paragraphs (1B) and (1C), the holder of a capital markets services licence shall, at such intervals as it determines to be appropriate but no less frequently than at the close of every month, compute —

- (a) the total amount of assets deposited in its customers' custody accounts respectively;

(b) the total amount of its customers' assets required under Part V of the Act and these Regulations to be deposited in custody accounts respectively; and

(c) the respective amounts of the holder's residual interest in the custody accounts, as at the end of such interval.

(1B) The holder of a capital markets services licence shall, at such intervals as it determines to be appropriate but no less frequently than at the close of every business day, compute in respect of the customer's transaction in capital markets products that are futures contracts, spot foreign exchange contracts for the purposes of leveraged foreign exchange trading or over-the-counter derivatives contracts where the underlying thing is a currency or currency index—

(a) the total amount of moneys and assets deposited in its customers' trust accounts and custody accounts respectively;

(b) the total amount of its customers' moneys and its customers' assets required under Part V of the Act and these Regulations to be deposited in trust accounts and custody accounts respectively; and

(c) the respective amounts of the holder's residual interest in the trust accounts and custody accounts,

as at the end of such interval.

(1C) Where the holder deposits its customer's assets with a central securities depository and receives a valuation report on a daily basis from the central securities depository, the holder shall, at such intervals as it determines to be appropriate but no less frequently than at the close of every business day, carry out reconciliation between the records of the holder and those of the central securities depository in respect of such assets.

(2) The holder shall complete the computation referred to in ~~paragraph(1)~~

(a) paragraph (1A) before noon of the business day immediately after the month ends; and

(b) paragraphs (1), (1B) and (1C) before noon of the next business day

and such computation with all supporting data shall be kept by the holder for the period specified in section 102(3) of the Act.

(3) Without prejudice to paragraph (1A), where the information on the value of the capital markets products is only available after the business day specified in paragraph (2)(a), the holder of the capital markets services licence shall perform the computation based on the position in that products.

Customer's moneys and assets held by clearing house

38.—(1) The holder of a capital markets services licence which is a member of a ~~clearing facility~~~~clearing house~~ shall, in respect of such market contracts as may be specified by the ~~clearing facility~~~~clearing house~~, inform the ~~clearing facility~~~~clearing house~~ in the manner determined by the ~~clearing facility~~~~clearing house~~ —

- (a) whether a market contract that is being cleared by the ~~clearing facility~~~~clearing house~~ is a customer's contract; and
- (b) whether any money or asset being deposited with or paid to the ~~clearing facility~~~~clearing house~~ is deposited or paid in respect of or in relation to the customer's contract.

(2) In this regulation —

“customer's contract” means —

- (a) a contract to which a customer of the holder is a party; or
- (b) a contract to which any other holder of a capital markets services licence to deal in ~~capital markets products~~~~securities or trade in futures contracts~~ is a party and which is cleared through the first-mentioned holder;

“market contract” has the same meaning as in section 48(1) of the Act.

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PART IV

CONDUCT OF BUSINESS

Books of holder of capital markets services licence

39.—(1) For the purposes of Division 1 of Part V of the Act, the holder of a capital markets services licence shall keep books in the English language which contain the following, where applicable:

- (a) particulars of every customer, including particulars that satisfy such notices and guidelines as may be issued by the Authority under the Act;
- (b) the name of any person —
 - (i) guaranteeing the settlement of any amount owed in a customer's account in respect of which a regulated activity is carried out by the holder;
 - (ii) who can give instructions to the holder on the carrying out of a regulated activity with respect to a customer's account; or
 - (iii) who has trading authority or exercises any control with respect to a customer's account;

(c) [Deleted by S 543/2003]

(d) particulars of every transaction carried out on behalf of customers, including —Q

- (i) a description and the quantity of the assets that are the subject of the transaction;
- (ii) the price and fee arising from the transaction;
- (iii) the name of the customer on whose behalf the transaction is entered into;
- (iv) the name of the counterparty to the transaction; and
- (v) the transaction date and settlement or delivery date;

(e) a separate record maintained for each customer stating, where applicable —

- (i) the amount and description of each asset paid or deposited in the trust account and custody account as required by regulations 16 and 26 respectively and the date of such payment or deposit;
- (ii) the date and quantity of each transfer of assets from or to the trust account and custody account arising from any asset borrowing or lending activity or otherwise;
- (iii) the date, amount and purpose of each withdrawal from the trust account or custody account; ~~and~~
- (iv) the date and amount of, and the reason for, each disposal of collateral from the trust account or custody account;
- (v) ~~whether the customer has his or her own trust or custody account or shares the same trust or custody account with other customers of the holder; and~~
- (vi) ~~the name of all relevant financial institutions specified in paragraph 17(1) or (2) and custodians specified under paragraph 27(1) and (3) with whom the holder deposits the moneys and assets of the holder's customer.~~

(f) particulars of each asset that is not the property of the holder and for which the holder or any nominee controlled by the holder is accountable, indicating by whom and for whom the asset or the document of title to the asset is held and the extent to which it is held for safe custody by a third party or mortgaged, charged, pledged or hypothecated in accordance with regulation 34;

(g) particulars of every underwriting and placement transaction entered into by the holder including, where applicable —

- (i) the amount which the holder committed to underwrite;
- (ii) the amount underwritten due to under-subscription;

- (iii) the amount allotted to each subscriber;
 - (iv) the amount placed with each placee; and
 - (v) the amount subscribed by each subscriber or placee (including any related company);
- (h) particulars of every proprietary transaction of the holder including, where applicable —
- (i) the description and quantity of the assets concerned;
 - (ii) the price and fee arising from the transaction;
 - (iii) the transaction date and settlement or delivery date;
 - (iv) the name of the counterparty to the transaction; and
 - (v) the realised or unrealised gain or loss;
- (i) particulars of all income and expenses of the holder; ~~and~~
- (j) particulars of all assets and liabilities (including contingent liabilities) of the holder and, in the case of assets, showing by whom these assets or the documents of title to these assets are held and, where they are held by some other person, whether or not they are held as security against loans or advances; ~~and~~
- (k) particulars of every transaction in over-the-counter derivatives contract carried out on behalf of or with customers including, where applicable —
- (i) counterparty identification and other documents relating to the establishment of business relation;
 - (ii) the price at which the over-the-counter derivatives contract was executed;
 - (iii) the fees or commission and other expenses in respect of such transaction; and
 - (iv) all particulars relating to the terms and conditions of the transactions in the over-the-counter derivatives contracts, including all payments and margin requirements relating to the transaction.

(2) The holder shall also keep books in the English language which contain the following documents, where applicable:

- (a) for each customer, ~~other than one who is an accredited investor,~~ every power of attorney or other document authorising the holder or its representative to operate the account of the customer on a discretionary basis;
- (b) every written agreement, or copy thereof, entered into by the holder with its customer;
- (ba) every acknowledgment of a customer received under regulation 47DA(1)(c)

- (c) every acknowledgment of a customer received under regulation 47E(1)(iib) which shall be in Form 13;

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- (d) every acknowledgment of a customer received under regulation 47E(2) which shall be in Form 14;

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- (e) every statement acknowledging receipt of assets from a customer indicating the person in whose name the assets are registered;

- (f) every order, whether filled, unfilled, amended or cancelled, which has been prepared or received in the course of the business of the holder;

- (g) every report, letter, circular, memorandum, publication, advertisement and other literature or advice distributed by the holder to any existing or prospective customer, indicating the date of publication;

- (h) every report, statement, submission, letter, journal, ledger, invoice, and other record, data or memoranda, which has been prepared or received in the course of business of the holder;

- (i) written confirmation of every ~~transaction in a capital markets product securities transaction, futures transaction or transaction in connection with leveraged foreign exchange trading~~ and every purchase and sale contract note and statement of account in respect of such transaction, being a transaction to which any of the following is a party:

- (i) the holder;

- (ii) except where the holder is one referred to in sub-paragraph (iii), an executive director of the holder, if the transaction is a personal transaction of such executive director; and

- (iii) where the holder is a branch or subsidiary of a foreign company with its head office located outside Singapore, an executive director of the holder who is directly involved in its operations and business, if the transaction is a personal transaction of such executive director;

- (j) written confirmation of every transaction referred to in paragraph (1)(d) prepared by the holder as principal or as agent of a customer, and every purchase and sale contract note and statement of account in respect of such transaction prepared by the holder as principal or as agent of the customer, as the case may be, or received from any other party, whether licensed in Singapore or elsewhere; and

- (k) in respect of every underwriting and placement transaction entered into by the holder, documentation stating the basis of allotment to each subscriber or placee, as the case may be.

(3) Subject to paragraph (4), the holder of a capital markets services licence to deal in ~~capital markets products~~~~securities, trade in futures contracts or carry out leveraged foreign exchange trading~~ shall —

(a) as soon as practicable upon the receipt of a customer's order for ~~capital markets products~~ —

- ~~(i) securities quoted on a securities exchange, an overseas securities exchange or a recognised trading system provider;~~
- ~~(ii) futures contracts; or~~
- ~~(iii) foreign exchange in connection with leveraged foreign exchange trading;~~

or the receipt of any amendment or cancellation of such an order, prepare and keep a written record of —

- (A) the particulars of the customer's instruction in the order;
- (B) the date and time of receipt of the order, amendment or cancellation;

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(BA) where the instruction in respect of the order, amendment or cancellation is placed through an Internet-based trading platform, the Internet protocol address from which the instruction is received; and

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(C) where the order, amendment or cancellation is transmitted to a member of ~~an approved exchange or overseas exchange~~~~a securities exchange, a futures exchange, an overseas securities exchange or an overseas futures exchange~~, or to the trading floor of such exchange, the date and time the order, amendment or cancellation is transmitted;

~~(b) as soon as practicable upon the receipt of a customer's order for other securities, or the receipt of any amendment or cancellation of such an order, prepare and keep a written record of —~~

- ~~(i) the particulars of the customer's instruction in the order;~~

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- ~~(ii) the date of receipt of the order or of any amendment or cancellation of the order; and~~

~~(iii) where the instruction in respect of the order, amendment or cancellation is placed through an Internet-based trading platform, the Internet protocol address from which the instruction is received; and~~

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(c) as soon as practicable upon the execution of a customer's order for ~~capital markets products—securities, futures contracts or foreign exchange in connection with leveraged foreign exchange trading~~, prepare and keep a written record of the particulars of the transaction and ~~the date and time of execution of the order or amended order, if any.~~ —

~~(i) in the case of an order for —~~

~~(A) securities quoted on a securities exchange, an overseas securities exchange or a recognised trading system provider;~~

~~(B) futures contracts; or~~

~~(C) foreign exchange in connection with leveraged foreign exchange trading;~~

~~the date and time of execution of the order or amended order, if any; or~~

~~(ii) in the case of an order for other securities, the date of execution of the order or amended order, if any.~~

(4) Paragraph (3) shall not apply to the holder of a capital markets services licence to ~~deal in capital markets product~~~~trade in futures contracts~~ in respect of a transaction by an arbitrageur or a market-maker for the purchase or sale of futures contracts specified by ~~an approved exchange~~~~futures exchange~~ if —

(a) the arbitrageur or market-maker, as the case may be, has given prior written consent for the holder not to prepare and keep the records as required in paragraph (3);

(b) the transaction is executed on the trading floor; and

(c) the transaction is entered into in accordance with the business rules or practices of the ~~approved exchange~~~~futures exchange~~.

(5) In this regulation —

“arbitrageur” means a person who —

(a) is appointed, approved or registered by ~~an approved exchange~~~~futures exchange~~ as an arbitrageur in respect of futures contracts specified by the ~~approved exchange~~~~futures exchange~~; and

(b) purchases or sells any futures contract specified by the ~~approved exchange~~~~futures exchange~~ in ~~an organised market~~~~a futures market~~ together with an off-setting sale or purchase of the same or equivalent contract in a different market at as nearly the same time as practicable for the purpose of taking advantage of a difference in prices in the 2 markets;

“market-maker” means a person who —

(a) is appointed, approved or registered by ~~an approved exchange~~~~a futures exchange~~ as a market-maker in respect of futures contracts specified by the ~~approved exchange~~~~futures exchange~~;

- (b) enters into transactions for the purchase or sale of futures contracts specified by the ~~approved exchange-futures-exchange~~ for his own account;
- (c) regularly publishes *bona fide* competitive bid and offer quotations in respect of futures contracts specified by the ~~approved exchange-futures-exchange~~; and
- (d) is ready, willing and able to effect transactions at his quoted prices with other persons in respect of futures contracts specified by the ~~approved exchange-futures-exchange~~.

Provision of statement of account to customers

40.—(1) The holder of a capital markets services licence shall on a monthly basis furnish to each customer a statement of account containing the particulars referred to in paragraph (2).

(1A) Paragraph (1) shall not apply to the holder where —

- (a) there is no change to any of those particulars since the date on which the last statement of account was made up to; or
- (b) the customer is an accredited investor, ~~expert investor, institutional investor~~ or a related corporation of the holder, and —
 - (i) the holder has made available to the customer, on a real-time basis, those particulars in the form of electronic records stored on an electronic facility and the customer has consented to those particulars being made available to him in this manner; or
 - (ii) the customer has requested, in writing, not to receive the statement of account on a monthly basis from the holder.

(1B) ~~Notwithstanding paragraph (1), when the holder of a capital markets services licence receives a request made by the holder's customer for a statement of account at any time, the holder shall provide the customer with the statement requested.~~

(2) The statement of account referred to in paragraph (1) shall contain, where applicable, the following particulars:

- (a) ~~the customer's transactions in securities and units of a collective investment schemes~~~~securities transactions of the customer~~ and the price at which the transactions are entered into;
- (b) ~~the customer's positions in derivatives contracts and spot foreign exchange contracts for the purposes of leveraged foreign exchange trading, futures positions and leveraged foreign exchange positions of the customer and the~~ prices at which the positions are acquired, and the net unrealised profits or losses in all ~~such futures positions and leveraged foreign exchange~~ positions of the customer marked to the market;

- (c) the status of every asset in the holder's custody held for the customer, including any asset deposited with a third party that is used for **specified products~~securities~~** lending under regulation 33 or held as collateral under regulation 34;
- (d) the movement of every asset of the customer, the date of and reasons for such movement, and the amount of the asset involved;
- (e) the movement and balance of money received on account of the customer within the meaning of regulation 15(2); and
- (f) a detailed account of all financial charges and credits to the customer's account during the monthly statement period, unless the detailed account of financial charges and credits has been included in any contract note or tax invoice issued by the holder to the customer.

(3) Subject to paragraph (4), the holder of a capital markets services licence shall furnish to each customer, at the end of every quarter of a calendar year, a statement of account containing, where applicable, the assets, **positions in derivatives contracts and spot foreign exchange contracts for the purposes of leveraged foreign exchange trading** ~~futures positions, leveraged foreign exchange positions~~ and cash balances (if any) of the customer as at the end of that quarter.

(4) Paragraph (3) shall not apply to the holder of a capital markets services licence where —

- (a) such particulars have been furnished to the customer by the holder in accordance with paragraph (1) for the last month of that quarter; or
- (b) the holder is exempted from complying with paragraph (1) by virtue of the application of paragraph (1A)(b).

(5) Paragraphs (1) and (3) shall not apply to the holder of a capital markets services licence **to deal in capital markets products:**

- (a) which is a member of **an approved clearing house** ~~a clearing house~~ if the statements of account referred to in those paragraphs are furnished to the customer by the clearing house or a Depository within the meaning of section 130A of the Companies Act (Cap. 50); or
- (b) whose customer is an institutional investor, and with whom the holder performs periodic reconciliation in respect of the customer's transactions and positions in capital markets products.

Documentation required by Authority, **approved exchange or approved clearing house~~futures exchange or clearing house~~**

41. Where the Authority, **an approved exchange or approved clearing house** ~~a futures exchange or clearing house~~ of which the holder of a capital markets services licence is a member, requests the holder to furnish it with the documentation of any cash transaction underlying the exchange of futures contract for any cash commodity,

the holder shall request for such documentation from its customer and, upon receipt thereof, provide such documentation to the Authority, ~~an approved exchange or approved clearing house~~~~futures exchange or clearing house~~, as the case may be.

Contract notes

42.—(1) Subject to paragraph (1A), the holder of a capital markets services licence to deal in ~~capital markets products~~~~securities, trade in futures contracts or carry out leveraged foreign exchange trading~~ shall, in respect of a sale or purchase of ~~any capital markets products~~~~securities or futures contracts or a transaction connected with leveraged foreign exchange trading~~, after entering into the transaction —

- (a) give to the other party to the transaction a contract note which contains such information as may be prescribed; or
- (b) procure that such a contract note be given in its name.

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(1A) Paragraph (1) shall not apply to any transaction of sale or purchase of securities, ~~units in a collective investment scheme or exchange-traded derivatives contracts or futures contracts~~ effected by the holder of a capital markets services licence through a member of ~~an approved exchange or an overseas exchange~~ —

- ~~(a) a securities exchange or overseas securities exchange; or~~
- ~~(b) a futures exchange or overseas futures exchange;~~

if the holder gives, or arranges with that member to give, to the other party to the transaction a contract note or a copy thereof issued by that member in respect of the transaction in accordance with the rules of that exchange or with any written law governing the issuance of contract notes by members of that exchange.

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(1B) The holder shall include, in every contract note to be given under paragraph (1), where applicable —

- (a) the name or style under which the holder carries on business in dealing in ~~capital markets products~~~~securities, trading in futures contracts or leveraged foreign exchange trading~~, and the address of the principal place at which the holder carries on the business;
- (b) where the holder is —
 - (i) dealing in ~~capital markets products other than futures contracts~~~~securities or carrying out leveraged foreign exchange trading~~ as a principal; or
 - (ii) ~~dealing in capital markets products that are~~~~trading in~~ futures contracts against its customer,

a statement that is so acting;

(c) the name and address of the party to whom the contract note is given;

(d) the date on which the transaction is entered into;

(e) in respect of a sale or purchase of securities **or units in a collective investment scheme**, the number or amount, and description of the securities **or units in a collective scheme** that are the subject of the transaction;

(f) in respect of a sale or purchase of **derivatives contracts**~~futures contract~~ or a transaction connected with **spot foreign exchange contracts for the purposes of leveraged foreign exchange trading**, the quantity and type of the **derivatives contract**~~futures contract~~ or the amount of **spot** foreign exchange that is the subject of the transaction, as the case may be;

(g) in respect of a sale or purchase of **capital markets products**~~securities or futures contract or a transaction connected with leveraged foreign exchange trading~~, the price per unit of the transaction, the amount of the consideration for the transaction, the rate and amount of commission (if any) charged for the transaction by the holder and the amount of all stamp duties or other duties or taxes payable in connection with the transaction; and

(h) in respect of a sale or purchase of **capital markets products**~~securities~~, if an amount is to be added to or deducted from the settlement amount in respect of the right to a benefit purchased or sold together with the **capital markets products**~~securities~~, the first-mentioned amount and the nature of the benefit.

[S 709/2010 wef 26/11/2010]

(2) The holder of a capital markets services licence shall, no later than the business day immediately following a sale or purchase of **capital markets products**~~securities or futures contract or a transaction connected with leveraged foreign exchange trading~~, give to the other party to the transaction a contract note for the transaction.

(2A) Notwithstanding paragraph (2), where any detail in a transaction that is required to be included in every contract note under paragraph (1B) becomes available or is only determined after the business day specified in paragraph (2), the holder of the capital markets services licence shall give to the other party to the transaction the contract note for the transaction no later than the business day immediately following the business day on which the information required to be included in every contract note in paragraph (1B) becomes available or has been determined.

[S 373/2005 wef 01/07/2005]

[S 709/2010 wef 26/11/2010]

(3) Any person who, without reasonable excuse, contravenes any of the provisions of this regulation shall be guilty of an offence and shall be liable on conviction to a fine

not exceeding \$50,000 and, in the case of a continuing offence, to a further fine of \$5,000 for every day or part thereof during which the offence continues after conviction.

[S 709/2010 wef 26/11/2010]

Limits for unsecured credit and credit facilities

43.—(1) The holder of a capital markets services licence shall not grant, whether directly or indirectly, any unsecured advance, unsecured loan or unsecured credit facility to —

- (a) any of its directors (other than a director who is also its employee); or
- (b) in relation to a director who is not an employee of the holder, any connected person of such director who is himself also not an employee of the holder.

(2) Subject to paragraph (1) and section 162 of the Companies Act (Cap. 50), the holder of a capital markets services licence shall not grant, whether directly or indirectly, any unsecured advance, unsecured loan or unsecured credit facility to any relevant person of the holder, which in the aggregate and outstanding at any one time exceeds one year's emoluments of such relevant person.

(3) For the purpose of paragraph (2), any unsecured advance, unsecured loan or unsecured credit facility granted by the holder of a capital markets services licence to any person to purchase, subscribe for or trade in any capital markets product for —

- (a) the account of a relevant person of the holder;
- (b) an account in which a relevant person of the holder has an interest;
- (c) an account of any person who acts jointly with, under the control of, or in accordance with, the direction of a relevant person of the holder; or
- (d) an account of any connected person of a relevant person of the holder, where the connected person is not himself a relevant person of the holder,

shall be deemed to be an unsecured advance, unsecured loan or unsecured credit facility granted by the holder to that relevant person.

(4) In this regulation —

“market value”, in relation to assets which are ~~specified products~~~~securities~~ listed for quotation or quoted on ~~an approved exchange~~~~a securities exchange~~ or an overseas ~~securities~~ exchange, means —

- (a) the last transacted price of the ~~specified products~~~~securities~~ traded on the exchange on the preceding business day;
- (b) if there was no trading in the ~~specified products~~~~securities~~ on the exchange on the preceding business day, then, subject to paragraph (c), the lower of

the last transacted price and the last bid price of the **specified productssecurities** on the exchange; or

- (c) if there was no trading in the **specified productssecurities** on the exchange in the preceding 30 days, the value of the **specified productssecurities** as estimated by the exchange or the holder and approved by the Authority;

“relevant person”, in relation to the holder of a capital markets services licence, means —

- (a) an officer of the holder (other than a director who is not its employee); or
- (b) an employee of the holder;

“unsecured advance, unsecured loan or unsecured credit facility” includes —

- (a) any advance, loan or credit facility made by the holder of a capital markets services licence to its relevant person without security, whether it has been drawn down or not;
- (b) in respect of any advance, loan or credit facility made by the holder to its relevant person with security, any part thereof which at any time exceeds the market value of the assets constituting that security or, where the Authority is satisfied that there is no established market value for those assets, on the basis of a valuation approved by the Authority; and
- (c) any guarantee or performance bond entered into by the holder, or the provision of any security by the holder, in connection with a loan, advance or credit facility made by another party to its relevant person.

[S 373/2005 wef 01/07/2005]

Priority of customers' orders

44.—(1) Except as permitted by paragraph (2) —

- (a) the holder of a capital markets services licence to deal in **capital market productssecurities or trade in futures contracts** when acting as principal or on behalf of a person associated with or connected to the holder; or
- (b) a representative of such a holder when acting for his own account or on behalf of a person associated with or connected to the representative,

shall not enter into a transaction for the purchase or sale of **capital markets productssecurities or futures contracts** that are permitted to be traded on **an approved exchange or the securities market of a securities exchange, the futures market of a futures exchange or the securities market or the futures market of** a recognised market operator, as the case may be, if a customer of that holder or representative, who is not associated with or connected to the holder or representative, has instructed the holder or representative to purchase or sell, respectively, **capital markets products securities or**

~~futures contracts~~ of the same class and the holder or representative has not complied with the instruction.

(2) Paragraph (1) shall not apply to the holder of a capital markets services licence or a representative of such a holder —

- (a) if his customer required the purchase or sale of **capital markets products**~~securities or futures contracts~~ on behalf of the customer to be effected only on specified conditions and he has been unable to purchase or sell the **capital markets products**~~securities or futures contracts~~ by reason of those conditions; or
- (b) if the transaction is entered into in accordance to the business rules or practices of the **approved exchange or the recognised market operator**~~securities exchange or futures exchange~~, as the case may be, through which the transaction is entered into.

(3) Any person who contravenes paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 12 months or to both.

[S 709/2010 wef 26/11/2010]

Specified products~~Securities~~ borrowing and lending

45.—(1) Subject to paragraph (2), where a holder of a capital markets services licence —

- (a) borrows **specified products**~~securities~~ from an owner of those **specified products**~~securities~~ (referred to in this regulation as the lender), the holder shall provide Collateral to the lender for the borrowing of the **specified products**~~securities~~; and
- (b) lends **specified products**~~securities~~, including **specified products**~~securities~~ belonging to its customer, to any person (referred to in this regulation as the borrower), the holder shall obtain Collateral from the borrower for the lending of the **specified products**~~securities~~.

(2) Paragraph (1)(a) shall not apply to a holder of a capital markets services licence when the holder borrows **specified products**~~securities~~ from an accredited investor, **expert investor or institutional investor**.

(3) For the purposes of paragraph (1)(a) and (b), the holder of a capital markets services licence shall ensure that the Collateral provided to the lender or obtained from the borrower, as the case may be, shall, throughout the period that the **specified products**~~securities~~ are borrowed or lent, have a value not less than 100% of the market value of the **specified products**~~securities~~ borrowed or lent.

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(4) Where the holder of a capital markets services licence borrows or lends **specified productssecurities** in accordance with paragraph (1), it shall ensure that the terms and conditions of the borrowing or lending, as the case may be, are recorded in a prior written agreement, which complies with paragraph (5) and is entered into between the holder and the lender or borrower or their duly authorised agent, as the case may be.

(5) For the purposes of paragraph (4), the written agreement shall —

- (a) state the capacities in which the parties are entering into the agreement (whether as principal or agent);
- (b) provide for the transfer of the title to and interest in the **specified productssecurities** lent from the lender to the holder, or the holder to the borrower, as the case may be;
- (c) provide for the transfer of the title to and interest in the whole or part of the Collateral provided or obtained by the holder which is valued to be at least 100% of the market value of the **specified productssecurities** (referred to in this regulation as minimum Collateral) which is borrowed by the holder from the lender, or lent by the holder to the borrower, as the case may be;
- (d) provide for the following rights throughout the period that the **specified productssecurities** are borrowed or lent:
 - (i) in the case where the holder borrows **specified productssecurities** from a lender, the rights of the lender in relation to the minimum Collateral and the rights of the holder in relation to the **specified productssecurities** borrowed; and
 - (ii) in the case where the holder lends **specified productssecurities** to a borrower, the rights of the holder in relation to the minimum Collateral and the rights of the borrower in relation to the **specified productssecurities** borrowed,
 including the treatment of dividend payments, voting and other rights and arrangements for dealing with any corporate action;
- (e) provide for the procedure for calculating the lending or borrowing fees, as the case may be;
- (f) include the requirement to mark to market on every business day the **specified productssecurities** lent or borrowed, as the case may be, and all minimum Collateral comprising securities and the procedures for calculating the margins;
- (g) provide for the procedures for the request for the return of the **specified productssecurities** lent, and the arrangements for dealing with the situation where such **specified productssecurities** cannot be delivered by —
 - (i) the holder, where the holder borrows **specified productssecurities** from a lender; and

- (ii) the borrower, where the holder lends **specified productssecurities** to a borrower;
- (h) provide for the termination of the agreement by any party to the agreement, including any early termination fee which that party may be subject to;
- (i) state whether there is any right of set-off of claims;
- (j) set out the events of default and the rights and obligations of the parties to the agreement in such events of default; and
- (k) provide for the law governing the agreement and the jurisdiction to which it is subject.

(6) Where the holder of a capital markets services licence borrows **specified productssecurities** from an accredited investor, **expert investor or institutional investor**, the holder shall ensure that the terms and conditions of the borrowing are recorded in a prior written agreement, which complies with paragraph (7) and is entered into between the holder and the accredited investor, **expert investor or institutional investor** or their duly authorised agent, as the case may be, regardless of whether the holder provides any assets to the accredited investor, **expert investor or institutional investor** as collateral for the borrowing.

(7) For the purposes of paragraph (6) —

- (a) the terms and conditions in the written agreement that apply to the borrowing of **specified productssecurities** shall include the details set out in paragraph (5), with the exception of paragraph (5)(f), and for this purpose —
 - (i) any reference to the minimum Collateral in paragraph (5) shall be construed as a reference to any asset which may be provided to the accredited investor, **expert investor or institutional investor** as collateral for the borrowing; and
 - (ii) any reference to the lender shall be construed as a reference to the accredited investor, **expert investor or institutional investor**; and
- (b) where assets are provided to the accredited investor, **expert investor or institutional investor** as collateral for the borrowing, the written agreement shall specify —
 - (i) whether the **specified productssecurities** borrowed and the assets provided comprising **specified productssecurities**, if any, are marked to market; and
 - (ii) if so, the procedures for calculating the margins.

(8) Without prejudice to paragraph (3), the holder of a capital markets services licence may —

- (a) where it borrows **specified productssecurities** from a lender, provide assets other than Collateral (referred to in this regulation as additional assets) to the

lender if the Collateral already provided to the lender is valued at not less than 100% of the market value of the **specified productssecurities** borrowed as at the time the additional assets are provided to the lender; and

- (b) where it lends **specified productssecurities** to a borrower, obtain additional assets from the borrower if the Collateral already obtained from the borrower is valued at not less than 100% of the market value of the **specified productssecurities** lent as at the time the additional assets are obtained from the borrower.

(9) In this regulation —

“Collateral” means —

- (a) cash;
- (b) Government securities;
- (c) marginable **specified productssecurities**;
- (d) guarantees issued by banks licensed under the Banking Act (Cap. 19);
- (e) letters of credit;
- (f) any asset that —
 - (i) is liquid and readily convertible into cash;
 - (ii) is in the possession or control of —
 - (A) the holder where the holder borrows **specified productssecurities** from a lender; and
 - (B) the borrower where the holder lends **specified productssecurities** to a borrower;
 - (iii) is subject to a legally binding agreement between the lender and the holder or the holder and the borrower, as the case may be, which —
 - (A) is evidenced in writing;
 - (B) is irrevocable and enforceable against —
 - (AA) the holder where the holder borrows **specified productssecurities** from a lender; and
 - (BB) the borrower where the holder lends **specified productssecurities** to a borrower; and

(C) confers an unconditional right to apply the asset, to sell the asset or to otherwise convert the asset into cash on —

(AA) the lender where the holder borrows ~~specified products~~~~securities~~ from a lender; and

(BB) the holder where the holder lends ~~specified products~~~~securities~~ to a borrower;

(iv) is not a security issued by —

(A) in the case where the holder borrows ~~specified products~~~~securities~~ from a lender —

(AA) the holder, that gives rise to exposure to the holder; or

(BB) a related corporation of the holder; and

(B) in the case where the holder lends ~~specified products~~~~securities~~ to a borrower —

(AA) the borrower, that gives rise to exposure to the borrower; or

(BB) a related corporation of the borrower; and

(v) is not a security that is prohibited from serving as collateral by any ~~approved exchange or approved clearing house~~~~securities exchange, futures exchange or clearing house~~, as the case may be; or

(g) such other instruments as the Authority may from time to time, by a guideline issued by the Authority, determine;

“customer” means —

(a) a person on whose behalf the holder of a capital markets services licence carries on any regulated activity; or

(b) any other person with whom the holder enters or will enter into transactions as principal for the sale or purchase of ~~specified products~~~~securities~~;

“marginable ~~specified products~~~~securities~~” means —

(a) ~~specified products~~~~securities~~ listed for quotation or quoted on the Singapore Exchange Securities Trading Limited;

(b) in the case of an initial public offer, ~~specified products~~~~securities~~ to be listed for quotation or quoted on the Singapore Exchange Securities

Trading Limited, for which the holder of a capital markets services licence has received full payment from the borrower;

- (c) ~~specified products~~~~securities~~ quoted on a recognised group A exchange, and issued by a corporation with shareholders' funds of not less than \$200 million or its equivalent in a foreign currency; or
- (d) such other ~~specified products~~~~securities~~ as the Authority may approve and set out in a guideline issued by the Authority;

“market value”, in relation to ~~specified products~~~~securities~~ listed for quotation or quoted on ~~an approved exchange~~~~securities exchange~~ or overseas ~~securities~~ exchange, means —

- (a) the last transacted price of the ~~specified products~~~~securities~~ traded on the exchange on the preceding business day;
- (b) if there was no trading in the ~~specified products~~~~securities~~ on the exchange on the preceding business day, then, subject to paragraph (c), the lower of the last transacted price and the last bid price of the ~~specified products~~~~securities~~ on the exchange; or
- (c) if there was no trading in the ~~specified products~~~~securities~~ on the exchange in the preceding 30 days, the value of the ~~specified products~~~~securities~~ as estimated by the exchange or the holder and approved by the Authority;

“recognised group A exchange” has the same meaning as in regulation 2 of the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations (Rg 13).

[S 418/2011 wef 31/08/2011]

Advertisement

46. The holder of a capital markets services licence, an appointed representative, a provisional representative or a temporary representative shall not, directly or indirectly, publish, circulate or distribute any advertisement —

- (a) which refers, directly or indirectly, to any past specific recommendations of the holder in relation to ~~capital markets product~~~~securities or futures contracts~~ which were or would have been profitable to any person, except that the holder or representative may refer in an advertisement to a list of all recommendations made by the holder or representative within the period of not less than one year immediately before the date the advertisement is published, circulated or distributed, which list, if furnished separately from the advertisement, shall —
 - (i) state the name of each ~~capital markets product~~~~securities or futures contract~~ recommended, the date and nature of the recommendation, the market price at that time, the price at which the recommendation was to be acted upon, and the market price of the ~~capital markets~~

~~product securities or futures contract~~ as of the most recent practicable date; and

- (ii) contain a statement, in as large a font as the largest font used in the body of the advertisement, to the effect that the past performance of the ~~capital markets products securities or futures contracts~~ in the list is not indicative of the future performance of the ~~capital markets products securities or futures contracts~~;

(b) which represents, directly or indirectly, that any graph, chart, formula or other device set out or referred to in the advertisement —

- (i) can, in and of itself, be used to determine which ~~capital markets products securities or futures contracts~~ to buy or sell, or when to buy or sell them; or
- (ii) will assist any person in deciding which ~~capital markets products securities or futures contracts~~ to buy or sell, or when to buy or sell them,

without prominently disclosing in the advertisement the limitations thereof and the difficulties with respect to its use;

(c) which contains any statement to the effect that any report, analysis or other service will be furnished free or without charge, unless such report, analysis or service is in fact or will in fact be furnished in its entirety and without any condition or obligation; or

(d) which contains any inaccurate or misleading statement or presentation, or any exaggerated statement or presentation that is calculated to exploit an individual's lack of experience and knowledge.

Certain representations prohibited

46A.—(1) Subject to paragraph (2), the holder of a capital markets services licence shall not represent or imply or knowingly permit to be represented or implied in any manner to any person that the holder's abilities or qualifications have in any respect been approved by the Authority.

(2) Paragraph (1) does not apply to a statement that a person is holding a capital markets services licence to carry on business in any regulated activity.

(3) Any person who contravenes paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine of \$5,000 for every day or part thereof during which the offence continues after conviction.

[S 709/2010 wef 26/11/2010]

Trading standards

47.—(1) The holder of a capital markets services licence to deal in ~~capital markets productssecurities, trade in futures contract or carry out leveraged foreign exchange trading~~, or a representative of such a holder, shall not withhold or withdraw from an ~~organised market~~ any order or any part of a customer's order for the benefit of itself or himself, or of any other person.

(2) The holder of a capital markets services licence to deal in ~~capital markets productssecurities, trade in futures contract or carry out leveraged foreign exchange trading~~, or the representative of such a holder, shall not divulge information relating to a customer's order held by it, unless the disclosure —

- (a) is necessary for the effective execution of the order;
- (b) is permitted under the rules of the relevant ~~approved exchange, recognised market operator, approved clearing house or recognised clearing house securities exchange, futures exchange, clearing house or recognised trading system provider~~, as the case may be; or
- (c) is required by the Authority under the Act or these Regulations.

Disclosure of certain interests in respect of underwriting agreement

47A.—(1) Where —

- (a) ~~specified productssecurities~~ have been offered for subscription or purchase; and
- (b) the holder of a capital markets services licence has subscribed for or purchased, or is or will or may be required to subscribe for or purchase, any of those ~~specified productssecurities~~ under an underwriting or sub-underwriting agreement by reason that some or all of the ~~specified productssecurities~~ have not been subscribed for or purchased,

the holder shall not, during the period of 90 days after the close of the offer referred to in sub-paragraph (a) —

- (i) make an offer to sell those ~~specified productssecurities~~ otherwise than in the ordinary course of trading on ~~an approved exchangea securities exchange~~ or recognised market operator; or
- (ii) make a recommendation, whether orally or in writing and whether expressly or by implication, with respect to those ~~specified productssecurities~~,

unless the offer or recommendation contains or is accompanied by a statement to the effect that the offer or recommendation relates to ~~specified productssecurities~~ that the holder has acquired, or is or will or may be required to acquire, under an underwriting or sub-underwriting agreement by reason that some or all of the ~~specified productssecurities~~ have not been subscribed for or purchased.

(2) For the purpose of paragraph (1), any reference to an offer shall be construed as including a reference to a statement, however expressed, that expressly or impliedly invites a person to whom it is made to offer to acquire **specified productssecurities**.

(3) Paragraph (1) shall not apply to the holder of a capital markets services licence when —

(a) making an offer to sell any **specified productssecurities**, or making a recommendation with respect to those **specified productssecurities**, to —

- (i) an accredited investor;
- (ii) an expert investor; or
- (iii) an institutional investor; or

(b) making an offer to sell any Government securities, or making a recommendation with respect to those Government securities, to any person.

(4) Where the holder of a capital markets services licence sends to any person a written offer, written recommendation or written statement to which paragraph (1) applies, the holder shall retain a copy of the written offer, recommendation or statement for a period of 5 years after the date the written offer, recommendation or statement is made.

(5) Any person who contravenes paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000.

[S 709/2010 wef 26/11/2010]

Dealing in **specified productssecurities as principal**

47B.—(1) Subject to paragraph (3), the holder of a capital markets services licence to deal in **capital markets productssecurities** shall not, as principal, enter into any transaction of sale or purchase of any **specified productssecurities** with any customer who is not the holder of a capital markets services licence to deal in **capital markets productssecurities** unless the holder first informs the customer that the holder is acting in the transaction as principal and not as agent.

(2) The holder of a capital markets services licence to deal in **capital markets productssecurities** which enters into a transaction of sale or purchase of **specified productssecurities**, as principal, with a customer who is not the holder of a capital markets services licence to deal in **capital markets productssecurities** shall state in the contract note that the holder is acting in the transaction as principal and not as agent.

(3) Paragraph (1) shall not apply to a transaction of sale or purchase of an odd lot of **specified productssecurities** that is entered into by the holder of a capital markets services licence to deal in **capital markets productssecurities** which is a member of an **approved exchange-a-securities-exchange** or recognised market operator and specialises in transactions relating to odd lots of **specified productssecurities**.

(4) Paragraphs (1) and (2) shall not apply to a market-maker when dealing in ~~specified products~~~~securities~~ in such capacity.

(5) Where the holder of a capital markets services licence to deal in ~~capital markets products~~~~securities~~ fails to comply with paragraph (1) or (2) in respect of a contract for the sale of ~~specified products~~~~securities~~ by the holder, the purchaser of ~~that capital markets products~~~~the securities~~ may, if he has not disposed of them, rescind the contract by a notice of rescission given in writing to the holder not later than 30 days after the receipt of the contract note.

(6) Where the holder of a capital markets services licence to deal in ~~capital markets products~~~~securities~~ fails to comply with paragraph (1) or (2) in respect of a contract for the purchase of ~~specified products~~~~securities~~ by the holder, the vendor of ~~that~~~~the specified products~~~~securities~~ may, in like manner, rescind the contract.

(7) Nothing in paragraph (5) or (6) shall affect any right that a person has apart from those paragraphs.

(8) Any person who contravenes any of the provisions of this regulation shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 12 months or to both.

(9) For the purposes of this regulation —

(a) a reference to the holder of a capital markets services licence to deal in ~~capital markets products~~~~securities~~ entering into a transaction of sale or purchase of ~~specified products~~~~securities~~ as principal includes a reference to the holder entering into such a transaction on behalf of —

- (i) a person associated with or connected to the holder;
- (ii) a corporation in which the holder has a controlling interest; or
- (iii) a corporation in which the holder's interest and the interests of the directors of the holder together constitute a controlling interest;

(b) a reference to ~~specified products~~~~securities~~ is a reference to ~~specified products securities~~ permitted to be traded on ~~the securities market of~~ —

- (A) ~~an approved exchange~~~~a securities exchange~~;
- (B) ~~an overseas exchange~~~~an overseas securities exchange~~; or
- (C) a recognised market operator;

(c) a reference to a market-maker is a reference to —

- (i) the holder of a capital markets services licence which —
 - (A) deals in ~~capital markets products~~ that are ~~specified products~~~~securities~~ for its own account;

- (B) regularly publishes bona fide competitive bids and offers quotations in respect of those ~~specified products~~~~securities~~;
 - (C) is ready, willing and able to enter into transactions at such quoted prices with other persons in respect of those ~~specified products~~~~securities~~; and
 - (D) is recognised as a market-maker by ~~an approved exchange, an overseas exchange~~~~a securities exchange, overseas securities exchange~~ or the Authority; or
- (ii) a designated market-maker referred to in paragraph 2(i) of the Second Schedule.

[S 709/2010 wef 26/11/2010]

Dealing with certain customers as principal

47BA – (1) The holder of a capital markets services licence, when dealing in capital markets products that are –

- (a) over-the-counter derivatives contracts; or
- (b) spot foreign exchange contracts for the purposes of leveraged foreign exchange trading,

with a customer who is not an accredited investor, an expert investor or an institutional investor, shall do so as principal capacity and not as agent.

Trading against customer

47C.—(1) The holder of a capital markets services licence to ~~deal in capital markets products~~~~trade in futures contracts~~ shall not knowingly enter into a transaction ~~in futures contracts~~ to buy from or sell to its customer any futures contract for —

- (a) the holder's own account;
- (b) an account of a person associated with or connected to it; or
- (c) an account in which the holder has an interest,

except with the customer's prior consent and in accordance with the business rules and practices of ~~an approved exchange~~~~a futures exchange~~ or recognised market operator.

(2) Any person who contravenes paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 12 months or to both.

[S 709/2010 wef 26/11/2010]

Cross-trading

47D.—(1) The holder of a capital markets services licence to ~~deal in capital markets products trade in futures contracts~~ shall not knowingly fill or execute a customer's order for the purchase or sale of a futures contract on ~~an organised market a futures market~~ by off-setting against the order or orders of any other person, without effecting such a purchase or sale either —

- (a) on the trading floor or electronic futures trading system; or
- (b) in accordance with the business rules and practices of ~~an approved exchange a futures exchange~~ or recognised market operator.

(2) Any person who contravenes paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 12 months or to both.

[S 709/2010 wef 26/11/2010]

General risk disclosure requirements

47DA.—(1) The holder of a capital markets services licence to deal in capital markets products shall not open a trading account for a customer for the purpose of trading in any capital markets products unless it —

- (a) informs the customer whether the holder is acting in the transaction as principal or agent;
- (b) furnishes the customer with a written risk disclosure document that discloses the material risks of the capital markets products; and
- (c) receives from the customer an acknowledgement signed and dated by the customer that he has received and understood the nature and contents of the risk disclosure document provided.

(2) Paragraph (1) does not apply to the holder —

- (a) in respect of its customer who is an accredited investor, an expert investor or an institutional investor, or a related corporation of the holder;
- (b) where it has made available to the customer the risk disclosure prepared by the issuer, if applicable, of the capital markets products; or
- (c) in respect of futures contracts, spot foreign exchange contracts for the purposes of leveraged foreign exchange trading or over-the counter derivatives contracts of which the underlying thing or any of the underlying things is a currency or currency index, where the holder has furnished the customer with a risk disclosure document in accordance with Regulation 47E.

Risk disclosure by certain persons

47E.—(1) The holder of a capital markets services licence to ~~deal in capital markets products trade in futures contracts or carry out leveraged foreign exchange trading~~ shall

not open a ~~futures-trading account or leveraged foreign exchange trading account~~ for the purpose of trading in –

- (a) futures contracts;
- (b) spot foreign exchange contracts for the purposes of leveraged foreign exchange trading; or
- (c) over-the-counter derivatives contracts of which the underlying thing or any of the underlying things is a currency or currency index;

for a customer unless it —

- (i) furnishes the customer with a separate written risk disclosure document in Form 13; and
- (ii) receives from the customer an acknowledgment signed and dated by the customer that he has received and understood the nature and contents of the risk disclosure document in Form 13.

(2) The holder of a capital markets services licence for fund management shall not solicit or enter into an agreement with a prospective customer for the purpose of —

- (a) managing the customer's ~~trading account for the purpose of trading in futures contracts trading account~~ or foreign exchange ~~contracts trading account~~; or
- (b) guiding the customer's ~~trading account for the purpose of trading in futures contracts trading account~~ or foreign exchange ~~contract trading account~~,

by means of a systematic programme that recommends specific transactions unless, at or before the time the holder engages in the solicitation or enters into the agreement (whichever is the earlier), the holder —

- (i) delivers or causes to be delivered to the prospective customer a risk disclosure document in Form 14; and
- (ii) receives from the prospective customer an acknowledgment signed and dated by him that he has received and understood the nature and contents of the risk disclosure document in Form 14.

(2A) Paragraphs (1) and (2) shall not apply to the holder in respect of its customer who is an accredited investor, expert investor, or institutional investor, or a related corporation of the holder.

(3) Paragraph (2) shall not apply to collective investment schemes that are approved under Division 2 of Part XIII of the Act.

(4) The holder of a capital markets services licence shall ensure that copies of Forms 13 and 14 delivered to its prospective customer are kept in Singapore.

(5) Any person who contravenes any of the provisions of this regulation shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding 12 months or to both.

[S 709/2010 wef 26/11/2010]

PART V

DEALING IN GOVERNMENT SECURITIES

Compliance with Rules and Market Practices

48.—(1) The following persons shall comply with the Rules and Market Practices when dealing in Government securities:

- (a) the holder of a capital markets services licence to deal in **capital markets productssecurities**;
- (b) a person exempted from holding a capital markets services licence under section 99 (1)(a), (b), (c) or (d) of the Act;
- (c) a person exempted from holding a capital markets services licence to deal in **capital markets productssecurities** under **sub-paragraph (2)(1)(e)** of the Second Schedule.

(2) Where any provision of these Regulations conflicts with any provision set out in the Rules and Market Practices, the former shall prevail.

PART VI

MISCELLANEOUS

49. [Deleted by S 709/2010 wef 26/11/2010]

50. [Deleted by S 709/2010 wef 26/11/2010]

50A. [Deleted by S 709/2010 wef 26/11/2010]

Position limit

51. The Authority may issue a direction to a person, or its agent, who holds or controls net long or net short positions in any futures contract in excess of the position limit set **by an approved exchangeunder section 16A of the Act**, to trade under conditions and restrictions specified in that direction in order to ensure compliance with the position limit; and may, in particular, require the person or agent to do one or more of the following:

- (a) cease any further increase in his positions;
- (b) liquidate his position in order to comply with the position limit within the time specified in the direction;
- (c) be subject to higher margin requirements in respect of his positions.

Non-applicability of section 339 (2) of Act under certain circumstances

52.—(1) Subsection (2) of section 339 of the Act shall not apply to the carrying on of a business in any regulated activity outside Singapore, insofar as that subsection makes that act an offence under Part IV of the Act, if —

- (a) information about the business is not communicated to or directed at any person or persons in Singapore, whether electronically or otherwise;
- (b) a prominent disclaimer comprising a statement referred to in paragraph (2) is contained in all advertisements and published information about the business;
- (c) no advertisement or published information about the business contains any information which is specifically relevant to a person or persons in Singapore; and
- (d) no advertisement or published information about the business is referred to in, or directly accessible from, any source which is intended for a person or persons in Singapore.

(1A) Subsection (2) of section 339 of the Act shall not apply to the carrying on of a business in providing credit rating services outside Singapore, insofar as that subsection makes that act an offence under Part IV of the Act, if the credit ratings prepared in the course of the business are prepared wholly outside Singapore.

(2) For the purposes of paragraph (1)(b), the disclaimer shall comprise a statement to the effect that the advertisement or published information to which it relates —

- (a) is made to or directed at persons outside Singapore; or
- (b) may be acted upon only by persons outside Singapore.

Exemption for SGXLink Pte Ltd

53. *[Deleted by S 709/2010 wef 26/11/2010]*

Banks, merchant banks and finance companies

54.—(1) Subject to paragraphs (1A) and (1B), Sections 104, 104A and 105 of the Act, Part III of these Regulations and regulations 13(b)(ix), 39(1)(e), (1)(k), 2(ba), 2(c) (3), (4) and (5), 40, 42, 44, 45, 46, 47 and 47B to 47E shall, with the necessary modifications, apply to each of the following exempt persons in respect of its business in any regulated activity as those provisions apply to the holder of a capital markets services licence and, where applicable, shall, with the necessary modifications, apply to a representative of any of these exempt persons when acting as such as those provisions apply to the representative of the holder of a capital markets services licence:

- (a) a bank licensed under the Banking Act (Cap. 19);

(b) a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186); ~~and~~

(c) a finance company licensed under the Finance Companies Act (Cap. 108).

(1A) Divisions 2 and 4 of Part III does not apply to any of the following exempt persons if the customer of the exempt person deposits the money in an account established with the exempt person and maintained in the customer's own name:

(a) a bank licensed under the Banking Act (Cap. 19);

~~(a)(b)~~ a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186);

(c) a finance company licensed under the Finance Companies Act (Cap. 108).

(1B) Regulation 42 does not apply to any transaction in uncleared derivatives contracts entered by the following exempt persons with a customer which is an accredited investor, expert investor or institutional investor:

(a) a bank licensed under the Banking Act (Cap. 19);

(b) a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186);

(c) a finance company licensed under the Finance Companies Act (Cap. 108).

(2) *[Deleted by S 709/2010 wef 26/11/2010]*

(3) Where any regulation referred to in paragraph (1) or part of it conflicts with any requirement under the Banking Act, the Monetary Authority of Singapore Act or the Finance Companies Act, the latter shall prevail.

Registered Fund Management Companies

54A.—(1) Sections 102(1) to (4), 104(1), 104A, 106, 107(1), (2) and (5) and 112(1) of the Act and Divisions 1, 2 and 3 of Part III (other than regulations 19, 30 and 31) of these Regulations and regulations 13, 13B, 39, 40, 43, 46 and 46A shall, with the necessary modifications, apply to each Registered Fund Management Company in respect of its business in fund management as those provisions apply to the holder of a capital markets services licence and, where applicable, shall, with the necessary modifications, apply to a representative of a Registered Fund Management Company when acting as such, as those provisions apply to the representative of the holder of a capital markets services licence.

(2) As a condition under section 99(4) of the Act, a Registered Fund Management Company must remove its chief executive officer or any of its directors if the Authority is of the opinion that the chief executive officer or the director has failed to ensure compliance by the Company with any of its duties under regulations 13 and 13B, as applied to the Company under paragraph (1).

Offences

55. Any person who contravenes regulation ~~3D~~, 4(1), (2) or (3), 5(1), (2), (3), (4), (5), (6) or (7), 7(2A), 11(2), ~~(3) or (4)~~, 11A(2) or (3), 13, 13B, ~~13D~~, 14(4), 16(1), ~~or (2)~~, (4) or (5), 17(1), (2) or (4), 17A(1), 18, 20(2), 20A, 21, 22(2), 26(1) or (2), 27(1), (3) or (4), 28, 29(1), 31, 32, 33(2), (4) or (5), 34, 34(A), 35, 37(1), (1A), (1B), (1C), (2) or (3), 38(1), 39(1), (2) or (3), 40(1), (2) or (3), 41, 43(1) or (2), 45(1), (3), (4), (5), (6) or (7), 46, 47, 47BA, 47DA or 48(1), paragraphs 2(2), 3(8), (9), (12), or (14)(b), 3A(10), (11), (14) or (16)(b), 5(7A), (7G), (7I) or (7J) or 7(6) of the Second Schedule, or a direction issued by the Authority under regulation 51 or paragraphs 3(13), 3A(15) or 5(7H) of the Second Schedule, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

PART VII

TRANSITIONAL PROVISIONS

Persons exempted from holding capital markets services licence under paragraph 5(1)(d) of Second Schedule in force before 7th August 2012

56. Any person who, immediately before 7th August 2012, was exempted from the requirement to hold a capital markets services licence to carry on business in fund management under paragraph 5(1)(d) of the Second Schedule in force immediately before that date, shall continue to be exempted from the requirement to hold a capital markets services licence to carry on business in fund management —

- (a) until the expiry of a period of 6 months after that date;
- (b) if, before the expiry of the period of 6 months in paragraph (a), it applies for a capital markets services licence for fund management, until the date on which the licence is granted to it, the date it is notified by the Authority that its application has been refused, or the date the application is withdrawn; or
- (c) if, before the expiry of the period of 6 months in paragraph (a), it lodges with the Authority a notice of commencement of business as a Registered Fund Management Company pursuant to paragraph 5(7) of the Second Schedule, until the date the Authority publishes its registration as a Registered Fund Management Company on the Authority's Internet website at <http://www.mas.gov.sg>, or the date it is notified by the Authority that the Authority has refused to register it as a Registered Fund Management Company.

57. [Deleted by S 385/2012 wef 07/08/2012]

58. *[Deleted by S 385/2012 wef 07/08/2012]*

59. *[Deleted by S 385/2012 wef 07/08/2012]*

60. *[Deleted by S 385/2012 wef 07/08/2012]*

Persons carrying on business in providing credit rating services before 17th January 2012

61. Any person who, immediately before 17th January 2012, was carrying on business in providing credit rating services shall not be required to hold a capital markets services licence to carry on business in providing credit rating services —

(a) for a period of 6 months from 17th January 2012; or

(b) if, before the expiry of the period of 6 months referred to in paragraph (a), he applies for a capital markets services licence to carry on business in providing credit rating services or to carry on business in regulated activities which include providing credit rating services, until the date on which the licence is granted to him, or on which his application is refused or withdrawn,

whichever is the later.

FIRST SCHEDULE

[Deleted by S 373/2005 wef 01/07/2005]

SECOND SCHEDULE

Regulation 14

EXEMPTIONS FROM SECTIONS 82(1) AND 99B(1) OF ACT

Definitions

1. In this Schedule –

“agent”, in relation to a member of Lloyd’s, “Lloyd’s”, “member of Lloyd’s” and “Service Company” have the same meanings as in regulation 2 of the Insurance (Lloyd’s Asia Scheme) Regulations (Rg 9);

“base capital”, in relation to a corporation, means the sum of —

(a) the following items in the latest accounts of the corporation:

- (i) paid-up ordinary share capital; and
- (ii) paid-up irredeemable and non-cumulative preference share capital; and

[S 170/2013 wef 28/03/2013]

(b) any unappropriated profit or loss in the latest audited accounts of the corporation,

less any interim loss in the latest accounts of the corporation and any dividend that has been declared since the date of the latest audited accounts of the corporation;

[S 385/2012 wef 07/08/2012]

“block futures contract” means a bilaterally-negotiated futures contract which meets the minimum trade size determined, and to be reported to the approved exchange, recognised market operator or overseas exchange, in accordance with the business rules of that approved exchange, recognised market operator or overseas exchange, as the case may be;

“connected person”, in relation to any individual, means —

- (a) his spouse, son, adopted son, step-son, daughter, adopted daughter, step-daughter, father, step-father, mother, step-mother, brother, step-brother, sister or step-sister; or
- (b) a firm or corporation in which he or any of the persons referred to in paragraph (a) has control of not less than 50% of the voting power, whether such control is exercised individually or jointly;

“designated market-maker” means a corporation who —

- (a) carries on business to deal in designated ~~products~~securities as a market-maker; and
- (b) is approved as a designated market-maker by the Singapore Exchange Securities Trading Limited, in accordance with its business rules;

“designated ~~products~~securities” means —

- (a) exchange traded fund interests; or
- (b) structured warrants,

which have received approval in-principle for listing and quotation on, or are listed for quotation on, the Singapore Exchange Securities Trading Limited;

“exchange traded fund interest” means any unit in a collective investment scheme concerned with the acquisition, holding, management or disposal of a portfolio of predetermined constituent assets in predetermined proportions, ~~which constituent assets principally comprise securities listed for quotation on any securities exchange or overseas securities exchange~~; being a unit that is —

- (a) listed for quotation, or has received approval in-principle for listing and quotation, on any ~~approved exchange~~securities exchange; and
- (b) created and redeemed as part of a block of units in the collective investment scheme in exchange for the constituent assets in the portfolio;

“Finance and Treasury Centre” means an approved Finance and Treasury Centre under section 43G of the Income Tax Act (Cap. 134);

“headquarters company” means an approved headquarters company under section 43E of the Income Tax Act;

~~“investment company” has the same meaning as in section 355(1) of the Companies Act (Cap. 50);~~

“investment contract” means any contract, scheme or arrangement which in substance and irrespective of the form thereof involves the investment of money in or under such circumstances that the investor acquires or may acquire an interest in or right in respect of property which under or in accordance with the terms of investment will, or may at the option of the investor, be used or employed in common with any other interest in or right in respect of property acquired in or under like circumstances;

“irredeemable and non-cumulative preference share capital” means preference share capital consisting of preference shares that satisfy all of the following requirements:

- (a) the principal of the shares is perpetual;
- (b) the shares are not callable at the initiative of the issuer of the shares or the shareholders, and the principal of the shares is never repaid outside of liquidation of the issuer, except in the case of a repurchase or other manner of reduction of share capital that is initiated by the issuer and permitted under written law; and
- (c) the issuer has full discretion to cancel dividend payments, and —
 - (i) the cancellation of dividend payments is not an event of default of the issuer under any agreement;
 - (ii) the issuer has full access to cancelled dividend payments to meet its obligations as they fall due; and
 - (iii) the cancellation of dividend payments does not result in any restriction being imposed on the issuer under any agreement, except in relation to dividend payments to ordinary shareholders;

[S 170/2013 wef 28/03/2013]

“market-maker” means a corporation which —

- (a) through a facility, at a place or otherwise, regularly quotes the prices at which it proposes to acquire or dispose of designated ~~products securities~~ for its own account; and
- (b) is ready, willing and able to effect transactions in the designated ~~products securities~~ at the quoted prices;

“net head office funds”, in relation to a foreign company, means the net liability of the Singapore branch of that foreign company to its head office and any other branches outside of Singapore;

[S 385/2012 wef 07/08/2012]

“order-filler” means an individual who is registered as such with ~~an approved exchange a futures exchange~~ for the sole purpose of entering into contracts on the floor of that ~~approved exchange futures exchange~~ on behalf of members of that ~~approved exchange futures exchange~~;

“provider”, in relation to a collective investment scheme, includes —

- (a) the manager of the scheme;
- (b) the trustee of the scheme; and
- (c) any person which is authorised by the manager or the trustee of the scheme to receive a customer’s money or property on its behalf.

“qualified arrangement” means any of the arrangements referred to in paragraphs (i) to (xii) of the definition of “collective investment scheme” in section 2(1) of the Act;

“quote” means to display or provide on ~~an organised market a securities market~~ of ~~an approved exchange a securities exchange~~ information concerning the particular prices or particular consideration at which offers or invitations to sell, purchase or exchange issued ~~specified products securities~~ are made on that ~~organised market securities market~~, being offers or invitations that are intended or may reasonably be expected to result, directly or indirectly, in the making or acceptance of offers to sell, purchase or exchange issued ~~specified products securities~~;

“relevant offence” means —

- (a) an offence, whether under the law of Singapore or elsewhere, in connection with the promotion, formation or management of a corporation, or involving fraud or dishonesty, or the conviction for which involved a finding that the offender had acted fraudulently or dishonestly;
- (b) an offence under the Companies Act involving lack of diligence in the discharge of the duties of a director of a company;
- (c) an offence under the Act or any regulations made under the Act; or
- (d) an offence under the Banking Act (Cap. 19), the Commodity Trading Act (Cap. 48A), the Finance Companies Act (Cap. 108), the Insurance Act (Cap. 142), the Monetary Authority of Singapore Act (Cap. 186), the Money-changing and Remittance Businesses Act (Cap. 187), the Penal Code (Cap. 224), the Financial Advisers Act (Cap. 110), or any subsidiary legislation made under any of these Acts;

“~~specified exchange-traded derivatives contracts~~” means ~~an exchange-traded derivatives contract that is not a futures contract~~;

“~~specified products securities~~ borrowing and lending facility” means the facility established and operated by the Central Depository (Pte) Ltd for the lending and borrowing of ~~specified products securities~~;

“special purpose corporation” means a corporation established to acquire and own an aircraft which is to be leased out;

“structured warrant” means an instrument issued by a financial institution, ~~on a~~ ~~commodity or~~ an underlying financial instrument not issued by that financial institution, which gives the holder the right —

- (a) to purchase from, or sell to, the financial institution that ~~commodity or~~ underlying financial instrument in accordance with the terms of issue of the instrument; or

(b) to receive from the financial institution a cash payment calculated by reference to the fluctuations in the value or price of that **commodity or** underlying financial instrument and in accordance with the terms of issue of the instrument;

“underlying financial instrument” includes any **financial instrument and units in a collective investment scheme.** ~~share, basket of shares and share index.~~

Dealing in Securities

Exemption from requirement to hold capital markets services licence to deal in capital markets products that are securities, units in a collective investment scheme and specified exchange-traded derivatives contracts~~securities~~

2. —(1) The following persons ~~are~~**shall be** exempted from the requirement to hold a capital markets services licence to carry on business in dealing in **capital markets products that are securities, units in a collective investment scheme or specified exchange-traded derivatives contracts**~~securities~~, subject to the conditions and restrictions specified:

- (a) a person when carrying on business in dealing in **capital markets products that are securities, units in a collective investment scheme or specified exchange-traded derivatives contracts** ~~securities~~—for his own account, or an account belonging to and maintained wholly for the benefit of a related corporation, and with or through —
 - (i) the holder of a capital markets services licence to deal in **capital markets products that are securities, units in a collective investment scheme or specified exchange-traded derivatives contracts** ~~securities~~;
 - (ii) a bank licensed under the Banking Act;
 - (iii) a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act;
 - (iv) a bank licensed, registered, approved or otherwise regulated under the laws of a jurisdiction outside Singapore to conduct banking business, but only in relation to securities, **units in a collective investment scheme, or specified exchange-traded derivatives contracts**, that are not quoted on **an approved exchange** ~~a securities exchange~~;
 - (v) a corporation or firm licensed or registered to carry on business in dealing in **capital markets products that are securities, units in a collective investment scheme, or specified exchange-traded derivatives contracts**, or any combination of the foregoing, as the case may be, ~~securities~~ under the laws of a jurisdiction outside Singapore, but only in relation to securities, **units in a collective investment scheme, or specified exchange-traded derivatives contracts**, that are not quoted on **an approved exchange** ~~a securities exchange~~; or

- (vi) the Central Depository (Pte) Ltd pursuant to its ~~specified products securities~~-borrowing and lending facility;
- (b) a person whose dealing in ~~capital markets products that are securities, units in a collective investment scheme or specified exchange-traded derivatives contracts securities~~ is solely incidental to his carrying on business in —
 - (i) fund management;
 - (ii) providing custodial services ~~for securities~~; or
 - (iii) ~~product securities~~ financing;
- ~~(c) an investment company when dealing in securities solely in connection with its acting as an underwriter or sub-underwriter of the issue of those securities for its own account;~~
- (d) the Central Depository (Pte) Ltd in respect of its dealing in ~~capital markets products that are securities, units in a collective investment scheme or specified exchange-traded derivatives contracts securities~~ —
 - (i) that is solely incidental to its business of providing depository services for ~~securities, units in a collective investment scheme or specified exchange-traded derivatives contracts securities~~; or
 - (ii) that is done by reason only of its entering into a transaction pursuant to its ~~specified products securities~~-borrowing and lending facility, and in compliance with conditions specified in writing by the Authority;
- (e) a person when carrying on business in dealing in bonds with —
 - (i) an accredited investor, ~~institutional investor or expert investor~~;
 - (ii) a person whose business involves the acquisition and disposal of or holding of ~~specified products securities~~ (whether as principal or agent);
- (f) a corporation when subscribing for securities, ~~units in a collective investment scheme, or specified exchange-traded derivatives contracts~~ on behalf of a customer as nominee, provided that such corporation —
 - (i) has no interest in the securities, ~~units in a collective investment scheme or specified exchange-traded derivatives contracts, as the case may be, subscribed for other than as a bare trustee; and~~
 - (ii) is a wholly-owned subsidiary of —
 - (A) the holder of a capital markets services licence to deal in ~~capital markets products that are securities, units in a collective investment scheme or specified exchange-traded derivatives contracts, or any combination of the foregoing securities~~;
 - (B) a bank licensed under the Banking Act (Cap. 19);

- (C) a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186);
 - (D) a finance company licensed under the Finance Companies Act (Cap. 108);
 - (E) ~~an approved exchange~~ ~~a securities exchange~~;
 - (F) ~~an approved holding company~~ ~~an exchange holding company~~;
or
 - (G) ~~an approved clearing house~~ ~~a clearing house~~;
- (g) a person approved by the Authority when, pursuant to the establishment and promotion of an aircraft leasing business in Singapore, he deals in the shares of a special purpose corporation with —
- (i) a bank licensed under the Banking Act (Cap. 19), a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186), or such other financial institution as may be approved by the Authority; or
 - (ii) a corporation with total net assets exceeding \$10 million in value or its equivalent in value in a foreign currency as determined in accordance with the most recent audited balance-sheet of the corporation or, in the case of a corporation which is not required to prepare audited accounts, a balance-sheet certified by the corporation as giving a true and fair view of the state of affairs of the corporation as at the end of the period to which it relates,
- (referred to in this sub-paragraph as a designated institution) if, and only if, such dealing in shares is subject to a prohibition that the designated institution may not subsequently dispose of the shares of the special purpose corporation except to another designated institution;
- (h) a trustee of a qualified arrangement in respect of securities, ~~units in a collective investment scheme, or specified exchange-traded derivative contracts whose dealing in capital markets products that are securities, units in a collective investment scheme, or specified exchange-traded derivatives contracts whose dealing in securities~~ is solely incidental to the management and administration of such arrangement;
 - (i) a designated market-maker when carrying on business in dealing in ~~capital markets products that are designated products~~ ~~designated securities~~ for its own account or for the account of any of its related corporations;
 - (j) a financial adviser licensed under the Financial Advisers Act (Cap. 110), or a person exempted under section 23 or 100 of that Act, ~~and its representatives~~ in respect of ~~providing the financial advisory service of advising others, either directly or through publications or writings, and whether in electronic, print or~~

other form, concerning any units in a collective investment scheme, and whose business of dealing in capital markets products that are units in a collective investment scheme is solely incidental to its provision of that financial advisory service in respect of units in a collective investment scheme~~the marketing of any collective investment scheme, when marketing, or redeeming units of, any collective investment scheme;~~

(k) any responsible person for a collective investment scheme —

- (i) that is authorised under section 286 of the Act;
- (ii) that is recognised under section 287 of the Act; or
- (iii) where the units of the scheme have been, is or will be, offered in reliance on an exemption under Subdivision (4) of Division 2 of Part XIII of the Act,

in respect of his dealing in ~~capital markets products~~~~securities~~ being —

(A) units of that scheme or the underlying ~~capital markets products securities~~ that comprise the investment of funds under that scheme, provided that such responsible person is also the holder of a capital markets services licence, or an exempt person, in respect of fund management; or

(B) units of that scheme, provided that the dealing is effected through any of the following persons:

(BA) the holder of a capital markets services licence to deal in ~~capital markets products that are securities, units in a collective investment scheme or specified exchange-traded derivatives contracts, or any combination of the foregoing securities;~~

(BB) an exempt person in respect of dealing in ~~securities being~~~~capital markets products that are~~ units of any collective investment scheme;

(BC) a financial adviser licensed under the Financial Advisers Act (Cap. 110) ~~referred to in sub-paragraph 1(j) to market collective investment schemes;~~ or

(BD) an exempt financial adviser as defined in the Financial Advisers Act ~~referred to in sub-paragraph 1(j) in respect of marketing of collective investment schemes.~~

- (l) a person when carrying on business in dealing capital markets products that are units in a collective investment scheme for a customer who is —
 - (i) an institutional investor;
 - (ii) any of its related corporation; or
 - (iii) any of its connected person;.
 - (m) a corporation carrying on business in fund management, in respect of dealing in units of a collective investment scheme, in relation to collective investment schemes that is managed by the corporation or any of its related corporations;
 - (n) a person who carries on business in dealing in capital markets products that are units in a collective investment scheme which property does not comprise of any capital markets products, and of which all of the participants are qualified investors
- (2) For the purpose of sub-paragraph (1)(j) —
- (a) regulations 39(3), 44, 46, 46A, 47 and 47B of these Regulations, with the necessary modifications, apply to a person exempted under sub-paragraph (1)(j) in respect of its business in dealing in capital markets products that are units in a collective investment scheme;
 - (b) where the person exempted under sub-paragraph (1)(j) is a licensed financial adviser or any of its representatives, in connection with its dealing in capital markets products that are units in a collective investment scheme, receives client's money or property, —
 - (i) such money or property shall be handed over to—
 - (A) the provider of the collective investment scheme;
 - (B) a holder of a capital markets services licence to provide custodial services, which is authorised by the client to receive the client's money or property; or
 - (C) a person exempt under regulation 6 of this Schedule from holding a capital markets services licence for providing custodial services which is authorised by the client to receive the client's money or property,
- no later than the business day immediately following the day on which the licensed financial adviser or representative receives the money or property (referred to in this paragraph as specified date);
- (ii) the licensed financial adviser or any of its representatives may hand over its or his client's money or property to a person referred to in sub-paragraph (2)(b)(i)(A), (B) or (C) after the specified date if, but only if, he has the client's prior written consent to do so;

- (iii) a licensed financial adviser or any of its representative shall not, in its dealing in capital markets products that are units in a collective investment scheme, receive clients money or property in the form of cash or any cheque made payable to any person (other than a person referred to in sub-paragraph (2)(b)(i)(A), (B) or (C)), except where the cash or cheque is wholly for services rendered by the licensed financial adviser or representative; and
- (c) where the person exempted under sub-paragraph (1)(j) passes on to another holder of a capital markets service licence, or a person exempted under section 99(1)(a) or (b) of the Act in respect of the regulated activity of dealing in capital markets products, a customer's order to purchase or sell units in a collective investment scheme which are listed for quotation on an approved exchange, the person shall –
 - (i) provide a written disclosure to the customer in respect of the potential risks associated with the purchase or sale of the units in the collective investment scheme on the approved exchange, including the risk of delay in the execution of the order, and obtain the customer's written acknowledgement of the disclosure; and
 - (ii) maintain a record of all written acknowledgements received from its customers in the English language.

Trading in futures contracts

Exemption from requirement to hold capital markets services licence to ~~deal in capital markets products that are trade in~~ futures contracts

3.—(1) The following persons ~~are~~^{shall be} exempted from the requirement to hold a capital markets services licence to carry on business in ~~dealing in capital markets products that are trading in~~ futures contracts, subject to the conditions and restrictions specified:

- (a) a person when carrying on business in for his own account or an account belonging to and maintained wholly for the benefit of a related corporation or connected person;
- (b) a person whose trading in futures contracts is solely incidental to his carrying on business in fund management;
- (c) an order-filler, provided that he shall not be or shall cease to be exempted if —
 - (i) he is or becomes a representative or employee of the holder of a capital markets services licence to ~~deal in capital markets products that are futures contracts trade in futures contracts~~;
 - (ii) he is or becomes an undischarged bankrupt whether in Singapore or elsewhere; or

(iii) he has been convicted of a relevant offence.

(d) a person who –

- (i) carries on business in Singapore in dealing in capital markets products that are futures contracts only with accredited investors, expert investors, or institutional investors;
- (ii) deals only in block futures contracts;
- (iii) does not carry any customer's positions, margin or account in its books;
- (iv) does not accept money or assets from any customer as settlement of, margin for, or to guarantee or secure, any futures contract entered into by that customer;
- (v) is not, whether as principal or agent, a party to any futures contract;
- (vi) is not a member of any approved exchange or approved clearing house which provides the person with the rights to trade on-screen or clear with the approved exchange or approved clearing house; and
- (vii) is registered with the Authority in accordance with sub-paragraph (6), and the registration is and continues to be published on the Authority's website.

(2) For the purposes of sub-paragraph (1)(d) –

- (a) a person otherwise exempted under sub-paragraph (1)(d) shall not be or shall cease to be so exempted if he also carries on business in dealing in capital markets products that are futures contracts other than in accordance with sub-paragraph (1)(a), (b), (c) or (d), as the case may be.
- (b) A person otherwise exempted under sub-paragraph (1)(d) shall not be or shall cease to be so exempted if the person –
 - (i) is or becomes the holder of a capital markets services licence to deal in capital markets products that are futures contracts;
 - (ii) has not commenced business in dealing in capital markets products that are futures contracts in accordance with sub-paragraph (1)(d) within 6 months from the date of its registration by the Authority as a Registered Futures Broker under sub-paragraph (6); or
 - (iii) has ceased to carry on business in dealing in capital markets products that are futures contracts in accordance with sub-paragraph (1)(d), and has not resumed business in the same regulated activity in accordance with that sub-paragraph, within a continuous period of 6 months from the date of cessation.

(3) An individual shall not be or shall cease to be so exempted from the requirement to hold a capital markets services licence to carry on business in dealing in capital markets products that are futures contracts if –

- (a) he is or becomes a representative or employee of the holder of a capital markets services licence to deal in capital markets products that are futures contracts;
- (b) he is or becomes an undischarged bankrupt whether in Singapore or elsewhere; or
- (c) he has been convicted of a relevant offence.

(4) A corporation otherwise exempted under sub-paragraph (1)(d) shall not be or shall cease to be so exempted if –

- (a) the corporation or its substantial shareholder is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;
- (b) execution against the corporation or its substantial shareholder in respect of a judgment debt has been returned unsatisfied in whole or in part;
- (c) a receiver, a receiver and manager, a judicial manager or such other person having the powers and duties of a receiver, receiver and manager or judicial manager, has been appointed whether in Singapore or elsewhere in relation to, or in respect of, any property of the corporation or its substantial shareholder;
- (d) the corporation or its substantial shareholder has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with its creditors, being a compromise or scheme of arrangement that is still in operation; or
- (e) the corporation or its substantial shareholder has been convicted of a relevant offence.

(5) A corporation which is exempted under sub-paragraph (1)(d) shall –

- (a) take reasonable measures to verify that the persons on behalf of whom he carries on business in dealing in capital markets products that are futures contracts are only accredited investors, expert investors, or institutional investors; and
- (b) ensure that proper records are kept of any document evidencing the status of such persons.

(6) A corporation which seeks to be exempted under sub-paragraph (1)(d) shall register with the Authority as a Registered Futures Broker by lodging with the Authority a notice of commencement of its business in Form xx, not later than 14 days after the commencement of its business in dealing in capital markets products that are futures contracts.

(7) The Authority may refuse to register a corporation under subparagraph (6) unless the corporation has demonstrated to the Authority's satisfaction that it is able to fulfil the requirements under sub-paragraph 1(d) and comply with subparagraphs (8), (9) and (11).

(8) A Registered Futures Broker must lodge with the Authority –

- (a) a notice of change in particulars in Form xx providing any change in the particulars in the notice under sub-paragraph (6), not later than 14 days after the date of the change;
- (b) a notice of cessation of business in Form xx not later than 14 days after the cessation of his business in dealing in capital markets products that are futures contracts; and
- (c) an annual declaration in Form xx within 14 days after the end of its financial year.

(9) A corporation shall not represent itself out as a Registered Futures Broker, unless

–

- (a) it has fulfilled all the requirements in sub-paragraph (1)(d); and
- (b) the registration of the corporation as a Registered Futures Broker is and continues to be published on the Authority's website.

(10) The Authority may cancel the registration of a corporation under sub-paragraph (6) if the person is issued with a capital markets services licence in dealing in capital markets products that are futures contracts.

(11) A Registered Futures Broker shall –

- (a) ensure that it is able to pay its debts in full as they fall due and that the value of its assets shall not be less than the value of its liabilities (including contingent liabilities) at all times; and
- (b) at all times employ at least 2 persons in Singapore, each of whom has at least 5 years' experience that is relevant to its business in dealing in capital markets products that are futures contracts.

(12) If a corporation which carries on business in dealing in capital markets products that are futures contracts in reliance on sub-paragraph (1)(d) fails to meet any of the criteria in sub-paragraphs (1)(d)(i) to (1)(d)(vi) or to comply with subparagraph (8), (9) or (11), or becomes aware that it will likely fail to meet any of those criteria or to comply with sub-paragraphs (8), (9) or (11), it shall immediately notify the Authority.

(13) If the Authority becomes aware that a corporation which carries on business in dealing in capital markets products that are futures contracts in reliance on sub-paragraph (1)(d) fails to meet any of the criteria in sub-paragraphs (1)(d)(i) to (1)(d)(vi) or to comply with sub-paragraph (8), (9) or (11), the Authority may direct the Registered Futures Broker to operate its business in such manner and on such conditions as the

Authority may impose, and the corporation to whom such direction is issued shall comply with the direction.

(14) A Registered Futures Broker shall, in respect of each of its financial year –

- (a) prepare a true and fair profit and loss account and a balance-sheet made up to the last day of the financial year; and
- (b) lodge that account and balance-sheet, together with a certification from its auditor that the Registered Futures Broker has complied with the criteria in sub-paragraphs (1)(d)(i) to (1)(d)(vi) and paragraph 11, with the Authority within 5 months, or such extension thereof permitted by the Authority, after the end of its financial year.

(15) Each corporation exempted under sub-paragraph (1)(d) shall furnish to the Authority, at such time and in such manner as the Authority may direct, all such information concerning his business in dealing in capital markets products that are futures contracts, as the Authority may reasonably require.

Exemption from requirement to hold capital markets services licence to deal in capital markets products that are over-the-counter derivatives contracts

3A.—(1) The following persons are exempt from the requirement to hold a capital markets services licence to carry on business in dealing in capital markets products that are over-the-counter derivatives contracts, subject to the conditions and restrictions specified:

- (a) a person who carries on business in dealing in capital markets products that are over-the-counter derivatives contracts for his own account or an account belonging to and maintained wholly for the benefit of a related corporation, and with another related corporation;
- (b) a person who carries on business in dealing in capital markets products that are over-the-counter derivatives contracts which the underlying thing is a commodity, with accredited investors, expert investors, or institutional investors;
- (c) a person who –
 - (i) carries on business in dealing in capital markets products that are over-the-counter derivatives contracts for his own account or an account belonging to and maintained wholly for the benefit of a related corporation;
 - (ii) enters into over-the-counter derivatives contracts with —
 - (A) the holder of a capital markets services licence to deal in capital markets products that are over-the-counter derivatives contracts;
 - (B) a bank licensed under the Banking Act;

- (C) a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act;
 - (D) a bank licensed, registered, approved or otherwise regulated under the laws of a jurisdiction outside Singapore to conduct banking business; or
 - (E) a corporation or firm licensed or registered to carry on business in dealing in capital markets products that are over-the-counter derivatives contracts under the laws of a jurisdiction outside Singapore; and
- (iii) does not receive a spread or other remuneration in connection with dealing in capital markets products that are over-the-counter derivatives contracts.
- (d) a person whose dealing in capital markets products that are over-the-counter derivatives contracts is solely incidental to his carrying on business in fund management;
- (e) a person who –
 - (i) carries on business in Singapore in dealing in capital markets products that are over-the-counter derivatives contracts only with accredited investors, expert investors, or institutional investors;
 - (ii) does not carry any customer's position in over-the-counter derivatives contracts, margin or account in its books;
 - (iii) does not accept money or assets from any customer as settlement of, margin for, or to guarantee or secure, any over-the-counter derivatives contract entered into by that customer;
 - (iv) is not, whether as principal or agent, a party to any over-the-counter derivatives contract;
 - (v) is not a member of any approved exchange or approved clearing house which provides the person with the rights to trade on-screen or clear with the approved exchange or approved clearing house; and
 - (vi) is registered with the Authority in accordance with sub-paragraph (8) and the registration is and continues to be published on the Authority's website;
- (f) an approved global trading company, within the meaning of section 43P(3) of the Income Tax Act (Cap. 134), which carries on business in dealing in capital markets products that are over-the-counter derivatives contracts which underlying thing is a commodity;
- (g) a corporation when subscribing for over-the-counter derivatives contracts on behalf of a customer as nominee, provided that such corporation —

- (i) has no interest in the over-the-counter derivatives contracts subscribed for other than as a bare trustee; and
 - (ii) is a wholly-owned subsidiary of —
 - (A) the holder of a capital markets services licence to deal in capital markets products that are over-the-counter derivatives contracts;
 - (B) a bank licensed under the Banking Act (Cap. 19);
 - (C) a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186);
 - (D) a finance company licensed under the Finance Companies Act (Cap. 108);
 - (E) an approved exchange;
 - (F) an approved holding company; or
 - (G) an approved clearing house;
 - (h) a trustee of a qualified arrangement in respect of over-the-counter derivatives contracts, whose dealing in capital markets products that are over-the-counter derivatives contracts is solely incidental to the management and administration of such arrangement;
- (2) For the purposes of sub-paragraph (1)(c)(iii), “remuneration” includes monetary or non-monetary incentive, benefit or reward, as the case may be.
- (3) For the purposes of —
- (a) sub-paragraph (1)(b), a person otherwise exempted under sub-paragraph (1)(b) shall not be or shall cease to be so exempted if he also carries on business in dealing in capital markets products that are over-the-counter derivatives contracts which underlying thing is a commodity other than in accordance with sub-paragraph (1)(b);
 - (b) sub-paragraph (1)(f), a person otherwise exempted under sub-paragraph (1)(f) shall not be or shall cease to be so exempted if he also carries on business in dealing in capital markets products that are not over-the-counter derivatives contracts which underlying thing is a commodity; and
 - (c) sub-paragraphs (1)(a), (c), and (d), a person otherwise exempted under sub-paragraphs (1)(a), (c) or (d) shall not be or shall cease to be so exempted if he also carries on business in dealing in capital markets products that are over-the-counter derivatives contracts other than in accordance with sub-paragraph (1)(a), (c) or (d), as the case may be.
- (4) A person otherwise exempted under sub-paragraph (1)(e) shall not be or shall cease to be so exempted if —

- (a) he is or becomes the holder of a capital markets services licence to deal in capital markets products that are over-the-counter derivatives contracts;
- (b) he has not commenced business in dealing in capital markets products that are over-the-counter derivatives contracts within 6 months from the date of its registration by the Authority as a Registered Over-the-counter Derivatives Broker under sub-paragraph (8); or
- (c) he has ceased to carry on business in dealing in capital markets products that are over-the-counter derivatives contracts, and has not resumed business in the same regulated activity in accordance with that sub-paragraph, within a continuous period of 6 months from the date of cessation.

(5) An individual shall not be or shall cease to be so exempted from the requirement to hold a capital markets services licence to carry on business in dealing in capital markets products that are over-the-counter derivatives contracts if –

- (a) he is or becomes a representative or employee of the holder of a capital markets services licence in dealing in capital markets products that are over-the-counter derivatives contracts;
- (b) he is or becomes an undischarged bankrupt whether in Singapore or elsewhere; or
- (c) he has been convicted of a relevant offence.

(6) A corporation otherwise exempted under sub-paragraph (1)(e) shall not be or shall cease to be so exempted if –

- (a) the corporation or its substantial shareholder is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;
- (b) execution against the corporation or its substantial shareholder in respect of a judgment debt has been returned unsatisfied in whole or in part;
- (c) a receiver, a receiver and manager, a judicial manager or such other person having the powers and duties of a receiver, receiver and manager or judicial manager, has been appointed whether in Singapore or elsewhere in relation to, or in respect of, any property of the corporation or its substantial shareholder;
- (d) the corporation or its substantial shareholder has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with its creditors, being a compromise or scheme of arrangement that is still in operation; or
- (e) the corporation or its substantial shareholder has been convicted of a relevant offence.

(7) A corporation which is exempted under sub-paragraph (1)(e) shall –

- (a) take reasonable measures to verify that the persons on behalf of whom he carries on business in dealing in capital markets products that are over-the-

counter derivatives contracts are only accredited, expert investors, or institutional investors; and

(b) ensure that proper records are kept of any document evidencing the status of such persons.

(8) A corporation which seeks to be exempted under sub-paragraph (1)(e) shall register with the Authority as a Registered Over-the-counter Derivatives Broker by lodging with the Authority a notice of commencement of its business in Form xx not later than 14 days after the commencement of its business in dealing in capital markets products that are over-the-counter derivatives contracts.

(9) The Authority may refuse to register a corporation under subparagraph (8) unless the corporation has demonstrated to the Authority's satisfaction that it is able to fulfil the requirements under sub-paragraphs 1(e), (10), (11) and (13).

(10) A Registered Over-the-counter Derivatives Broker must lodge with the Authority -

(a) a notice of change in particulars in Form xx, providing any change in the particulars in the notice under sub-paragraph (8), not later than 14 days after the date of the change;

(b) a notice of cessation of business in Form xx not later than 14 days after the cessation of his business in dealing in capital markets products that are over-the-counter derivatives contracts; and

(c) an annual declaration in Form xx within 14 days after the end of its financial year.

(11) A corporation shall not hold itself out as a Registered Over-the-counter Derivatives Broker, unless –

(a) it has fulfilled all the requirements in sub-paragraph (1)(e); and

(b) the registration of the corporation as a Registered Over-the-counter Derivatives Broker is and continues to be published on the Authority's website.

(12) The Authority may cancel the registration of a corporation under sub-paragraph (8) if the corporation is issued with a capital markets services licence in dealing in capital markets products that are over-the-counter derivatives contracts.

(13) A Registered Over-the-counter Derivatives Broker shall –

(a) ensure that it is able to pay its debts in full as they fall due and that the value of its assets shall not be less than the value of its liabilities (including contingent liabilities) at all times; and

(b) all times employ at least 2 persons in Singapore, each of whom has at least 5 years' experience that is relevant to its business in dealing in capital markets products that are over-the-counter derivatives contracts

(14) If a corporation which carries on business in dealing in capital markets products that are over-the-counter derivatives contracts in reliance on sub-paragraph (1)(e) fails to meet any of the criteria in sub-paragraphs (1)(e)(i) to (1)(e)(v) or to comply with sub-paragraph (10), (11) or (13), or becomes aware that it will likely fail to meet any of those criteria or to comply with sub-paragraph (10), (11), (13), it shall immediately notify the Authority.

(15) If the Authority becomes aware that a corporation which carries on business in dealing in capital markets products that are over-the-counter derivatives contracts in reliance on sub-paragraph (1)(e) fails to meet any of the criteria in subparagraphs (1)(e)(i) to (1)(e)(v) or to comply with sub-paragraphs (10), (11) or (13), the Authority may direct the Registered Over-the-counter Derivatives Broker to operate its business in such manner and on such condition as the Authority may impose, and the corporation to whom such direction is issued shall comply with the direction.

(16) A Registered Over-the-counter Derivatives Broker shall, in respect of its each financial year –

(a) prepare a true and fair profit and loss account and a balance-sheet made up to the last day of the financial year; and

(b) lodge that account and balance-sheet, together with a certification from its auditor that the Registered Over-the-counter Derivatives Broker has complied with the criteria in sub-paragraphs (1)(e)(i) to (1)(e)(v) and paragraph (13), with the Authority within 5 months, or such extension thereof permitted by the Authority, after the end of its financial year.

(17) Each person exempted under sub-paragraph (1)(b), (e) or (f) shall furnish to the Authority, at such time and in such manner as the Authority may direct, all such information concerning his business in dealing in capital markets products that are over-the-counter derivatives contracts as the Authority may reasonably require.

~~Leveraged Foreign Exchange Trading~~

Exemption from requirement to hold capital markets services licence to ~~deal in capital markets products that are spot foreign exchange contracts for the purposes of leveraged foreign exchange trading~~ carry out leveraged foreign exchange trading

4.—(1) The following persons ~~are~~ shall be exempted from the requirement to hold a capital markets services licence to carry on business in ~~dealing in capital markets contracts that are spot foreign exchange contracts for the purposes of leveraged foreign exchange trading~~ leveraged foreign exchange trading, subject to the conditions and restrictions specified:

(a) a person who carries on business in ~~dealing in capital markets products that are spot foreign exchange contracts for the purposes of leveraged foreign exchange trading~~ —

(i) for his own account and with a related corporation or connected person; or

(ii) for his own account or an account belonging to and maintained wholly for the benefit of a related corporation or connected person, and with or through —

(A) the holder of a capital markets services licence to carry on business in ~~dealing in capital markets products that are spot foreign exchange contracts for the purposes of leveraged foreign exchange trading~~;

(B) a bank licensed under the Banking Act (Cap. 19);

(C) a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186);

(D) a bank licensed, registered, approved or otherwise regulated under the laws of a jurisdiction outside Singapore to conduct banking business; or

(E) a corporation or firm licensed or registered to carry on business in ~~dealing in capital markets products that are spot foreign exchange contracts for the purposes of leveraged foreign exchange trading~~ under the laws of a jurisdiction outside Singapore;

(b) a person whose ~~dealing in capital markets products that are spot foreign exchange contracts for the purposes of leveraged foreign exchange trading~~ is solely incidental to his carrying on business in fund management.

[S 385/2012 wef 07/08/2012]

(c) *[Deleted by S 385/2012 wef 07/08/2012]*

(2) A person otherwise exempted under sub-paragraph (1) shall not be or shall cease to be so exempted if he also carries on business for ~~dealing in capital markets products that are spot foreign exchange contracts for the purposes of leveraged foreign exchange trading~~ other than in accordance with sub-paragraph (1)(a) or (b).

[S 385/2012 wef 07/08/2012]

(3) An individual otherwise exempted under sub-paragraph (1)(a) shall not be or shall cease to be so exempted if —

- (a) he is or becomes a representative or employee of the holder of a capital markets services licence to carry out ~~dealing in capital markets products that are spot foreign exchange contracts for the purposes of leveraged foreign exchange trading~~~~leveraged foreign exchange trading~~;
- (b) he is or becomes an undischarged bankrupt whether in Singapore or elsewhere; or
- (c) he has been convicted of a relevant offence.

[S 385/2012 wef 07/08/2012]

(4) A corporation otherwise exempted under sub-paragraph (1)(a) shall not be or shall cease to be so exempted if —

- (a) the corporation or its substantial shareholder is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;
- (b) execution against the corporation or its substantial shareholder in respect of a judgment debt has been returned unsatisfied in whole or in part;
- (c) a receiver, a receiver and manager, a judicial manager or such other person having the powers and duties of a receiver, receiver and manager or judicial manager, has been appointed whether in Singapore or elsewhere in relation to, or in respect of, any property of the corporation or its substantial shareholder;
- (d) the corporation or its substantial shareholder has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with its creditors, being a compromise or scheme of arrangement that is still in operation; or
- (e) the corporation or its substantial shareholder has been convicted of a relevant offence.

[S 385/2012 wef 07/08/2012]

(4A) *[Deleted by S 385/2012 wef 07/08/2012]*

(5) *[Deleted by S 385/2012 wef 07/08/2012]*

(6) *[Deleted by S 385/2012 wef 07/08/2012]*

(7) *[Deleted by S 385/2012 wef 07/08/2012]*

(8) *[Deleted by S 385/2012 wef 07/08/2012]*

Fund Management

Exemption from requirement to hold capital markets services licence for fund management

5.—(1) The following persons shall be exempted from the requirement to hold a capital markets services licence to carry on business in fund management, subject to the conditions and restrictions specified:

- (a) 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;
- (b) a corporation which carries on business in fund management for or on behalf of any of its related corporations, so long as in carrying on such business, none of the ~~capital markets products or spot foreign exchange contracts~~~~securities, positions in futures contracts, or foreign exchange arising from foreign exchange trading or leveraged foreign exchange trading~~ being managed, are —
 - (i) held on trust for another person by the second-mentioned corporation;
 - (ii) the result of any investment contract entered into by the second-mentioned corporation; or
 - (iii) beneficially owned by any person, other than the first-mentioned or second-mentioned corporation;
- (c) an individual who carries on business in fund management for or on behalf of —
 - (i) his spouse, son, adopted son, step-son, daughter, adopted daughter, step-daughter, father, step-father, mother, step-mother, brother, step-brother, sister or step-sister; or
 - (ii) a firm or corporation in which he or any of the persons referred to in sub-paragraph (i) has control of 100% of the voting power, whether such control is exercised individually or jointly with any person referred to in that sub-paragraph, so long as in carrying on such business, none of the ~~capital markets products or spot foreign exchange contracts~~~~securities, positions in futures contracts, or foreign exchange arising from foreign exchange trading or leveraged foreign exchange trading~~ being managed, are —
 - (A) held on trust for another person by any person referred to in sub-paragraph (i) or (ii);

(B) the result of any investment contract entered into by any person referred to in sub-paragraph (i) or (ii); or

(C) beneficially owned by any person, other than the individual or any person referred to in sub-paragraph (i) or (ii);

[S 170/2013 wef 28/03/2013]

(d) [Deleted by S 385/2012 wef 07/08/2012]

(e) the holder of a capital markets services licence to **deal in capital markets products that are futures contracts**~~trade in futures contracts~~ which carries on business in fund management in accordance with regulation 20;

(f) a Service Company whose business in fund management is solely incidental to its carrying on business as an agent of a member of Lloyd's;

(g) a financial adviser —

(i) who is licensed under the Financial Advisers Act (Cap. 110) in respect of the provision of the financial advisory services specified in paragraphs 1 and 3 of the Second Schedule to the Act; and

(ii) who carries on business in fund management for or on behalf of another person (referred to in this paragraph as the client) in connection with any advice that is given by the licensed financial adviser to the client concerning units in a collective investment scheme or a portfolio of units in various collective investment schemes,

provided that —

(A) the scope of such business is confined to the management of one or more portfolios comprising solely of units in one or more collective investment schemes, all of which are not listed on **an approved exchange**~~a securities exchange~~ ;

(B) in carrying on business in fund management for or on behalf of the client, the licensed financial adviser obtains the prior approval of the client in respect of each and every transaction for or on behalf of the client and only receives the client's money or property in respect of approved transactions and services rendered by the licensed financial adviser in relation to such business; and

(C) where the licensed financial adviser receives the client's money or property under sub-paragraph (B), such money or property, except to the extent that it is received wholly for services rendered by the licensee, shall be handed over to —

(CA) the manager or trustee of the collective investment scheme;

(CB) the holder of a capital markets services licence under the Act to provide custodial services ~~for securities~~ which is authorised by the client to receive the client's money or property; or

(CC) a person exempt under the Act from holding a capital markets services licence to provide custodial services ~~for securities~~ which is authorised by the client to receive the client's money or property,

not later than the business day immediately following the day on which the licensed financial adviser receives the money or property or at a later date if, and only if, it has the client's prior written consent to do so;

[S 373/2005 wef 01/07/2005]

[S 385/2012 wef 07/08/2012]

(h) a person who carries on business in fund management in Singapore on behalf of qualified investors where the assets managed by it comprise securities issued by one or more corporations or interests in bodies unincorporate, where the sole purpose of each such corporation or body unincorporate is to hold, whether directly or through another entity or trust, immovable assets;

[S 385/2012 wef 07/08/2012]

[S 170/2013 wef 28/03/2013]

(i) a corporation —

(i) which carries on business in Singapore in fund management on behalf of not more than 30 qualified investors, of which not more than 15 are collective investment schemes, closed-end funds, or limited partnerships referred to in sub-paragraph (3)(e); and

(ii) which is registered with the Authority in accordance with sub-paragraph (7) and the registration is and continues to be published on the Authority's website.

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(j) A person who carries on business in fund management in Singapore by managing the property of, or operating, a collective investment scheme which property does not comprise of any capital markets products, and of which all of the participants are qualified investors.

(2) For the purposes of sub-paragraph (1) —

(a) a person otherwise exempted under sub-paragraph (1) shall not be or shall cease to be so exempted if he also carries on business in fund management other than in accordance with sub-paragraph (1)(a), (b), (c), (e), (f), (h), ~~or (i)~~ or (j); as the case may be;

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- (b) a person who is exempted under sub-paragraph (1)(a) or (b) may, in ascertaining the number of qualified investors for the purpose of exemption under sub-paragraph (1)(i), exclude those persons on behalf of whom he carries on business in fund management under sub-paragraph (1)(a) or (b);

[S 170/2013 wef 28/03/2013]

- (bb) a person otherwise exempted under sub-paragraph (1)(i) shall not be or shall cease to be so exempted if —

- (i) it is the holder of a capital markets services licence in respect of any regulated activity;

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- (ii) it has not commenced business in fund management in accordance with sub-paragraph (1)(i) within 6 months from the date of its registration by the Authority as a Registered Fund Management Company under sub-paragraph (7); or

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- (iii) it has ceased to carry on business in fund management in accordance with sub-paragraph (1)(i), and has not resumed business in the same regulated activity in accordance with that sub-paragraph, within a continuous period of 6 months from the date of cessation.

[S 373/2005 wef 01/07/2005]

[S 385/2012 wef 07/08/2012]

- (c) a person who is otherwise exempted under sub-paragraph (1)(i) and is also exempted under regulation 27(1)(d) of the Financial Advisers Regulations (Rg 2) from the requirement to hold a financial adviser's licence under the Financial Advisers Act (Cap. 110) in respect of providing any financial advisory service, other than **arranging contracts of insurance in respect of life policies, shall not be or shall cease to be exempted under sub-paragraph (1)(i) if the number of qualified investors on behalf of whom he carries on business in fund management and the number of accredited investors, expert investors or institutional investors to whom he provides financial advisory services exceed 30 in total.**

~~other than—~~

- ~~(i) Marketing of collective investment schemes; and~~

- ~~(ii) Arranging contracts of insurance in respect of life policies;~~

~~shall not be or shall cease to be exempted under sub-paragraph (1)(i) if the number of qualified investors on behalf of whom he carries on business in fund management and the number of accredited investors, expert investors or institutional investors to whom he provides financial advisory services exceed 30 in total~~

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(3) In this paragraph, each of the following persons, schemes and funds shall be considered as one qualified investor:

(a) an accredited investor, other than —

- (i) one who is a participant in a collective investment scheme referred to in sub-paragraph (b);
- (ii) one who is a holder of a unit in a closed-end fund referred to in sub-paragraph (c);
- (iii) one which is a corporation referred to in section 4A(1)(a)(ii) of the Act or an entity referred to in regulation 2(b) of the Securities and Futures (Prescribed Specific Classes of Investors) Regulations 2005 (G.N. No. S 369/2005) —

(A) which is related to or controlled by a person referred to in sub-paragraph (1)(i), or a key officer or substantial shareholder of such person; and

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(B) the shares or debentures of which are, after 28th May 2008, the subject of an offer or invitation for subscription or purchase made to any person who is not an accredited investor; or

- (iv) a corporation or an entity which is a collective investment scheme or a closed-end fund the units of which are, after 28th May 2008, the subject of an offer or invitation made to any person who is not an accredited investor;

(b) a collective investment scheme the units of which are the subject of an offer or invitation for subscription or purchase made —

- (i) in Singapore only to accredited investors or institutional investors or both; or

[S 385/2012 wef 07/08/2012]

- (ii) elsewhere if, after 28th May 2008, such offer or invitation is made only to accredited investors, or investors in an equivalent class under the

laws of the country or territory in which the offer or invitation is made, or institutional investors or both;

[S 385/2012 wef 07/08/2012]

- (c) a closed-end fund the units of which are the subject of an offer or invitation for subscription or purchase made only to accredited investors, or investors in an equivalent class under the laws of the country or territory in which the offer or invitation is made, or institutional investors or both;

[S 385/2012 wef 07/08/2012]

- (d) an institutional investor, other than a collective investment scheme;

[S 385/2012 wef 07/08/2012]

- (e) a limited partnership, where the limited partners comprise solely of accredited investors or investors in an equivalent class under the laws of the country or territory in which the partnership is formed, or institutional investors, or both;

[S 385/2012 wef 07/08/2012]

- (f) any other person that the Authority may, from time to time, by a guideline issued by the Authority, determine;

[S 385/2012 wef 07/08/2012]

(4) An individual shall not be or shall cease to be exempted from the requirement to hold a capital markets services licence to carry on business in fund management if —

- (a) he is or becomes a representative or employee of the holder of a capital markets services licence for fund management;
- (b) he is or becomes an undischarged bankrupt whether in Singapore or elsewhere;
or
- (c) he has been convicted of a relevant offence.

(5) A corporation otherwise exempted under sub-paragraph (1)(a), (b), (h) or (i) shall not be or shall cease to be so exempted if —

- (a) the corporation or its substantial shareholder is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;
- (b) execution against the corporation or its substantial shareholder in respect of a judgment debt has been returned unsatisfied in whole or in part;
- (c) a receiver, a receiver and manager, a judicial manager or such other person having the powers and duties of a receiver, receiver and manager or judicial manager, has been appointed whether in Singapore or elsewhere in relation to, or in respect of, any property of the corporation or its substantial shareholder;
- (d) the corporation or its substantial shareholder has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with its

creditors, being a compromise or scheme of arrangement that is still in operation; or

- (e) the corporation or its substantial shareholder has been convicted of a relevant offence.

[S 385/2012 wef 07/08/2012]

[S 170/2013 wef 28/03/2013]

(6) A person who is exempted under sub-paragraph (1)(i) shall —

- (a) take reasonable measures to verify that the persons on behalf of whom he carries on business in fund management are qualified investors; and
- (b) ensure that proper records are kept of any document evidencing the status of such persons.

[S 385/2012 wef 07/08/2012]

(7) A corporation which seeks to be exempted under sub-paragraph (1)(i) shall register with the Authority as a Registered Fund Management Company by lodging with the Authority a notice of commencement of its business in Form 22A prior to the commencement of its business in fund management, accompanied by a non-refundable annual fee which shall be paid in the manner specified by the Authority in writing.

[S 385/2012 wef 07/08/2012]

(7A) A corporation shall not represent itself as a Registered Fund Management Company, unless —

- (a) it has fulfilled all the requirements in sub-paragraph (1)(i); and
- (b) the registration of the corporation as a Registered Fund Management Company is and continues to be published on the Authority's website.

[S 385/2012 wef 07/08/2012]

(7B) The Authority may refuse to register a corporation under sub-paragraph (7) unless the corporation has demonstrated to the Authority's satisfaction that —

- (a) it is able to fulfil the requirements under sub-paragraph (1)(i)(i) and regulation 13 or both regulations 13 and 13B (as the case may be) as applied to a Registered Fund Management Company under regulation 54A(1);

[S 170/2013 wef 28/03/2013]

- (b) if it is incorporated in Singapore, its base capital, or if it is a foreign company, its net head office funds, is not less than \$250,000;
- (c) it employs at least 2 persons, each of whom has at least 5 years' experience that is relevant to the fund management activities it intends to carry out; and
- (d) the total value of its managed assets does not exceed \$250 million.

[S 385/2012 wef 07/08/2012]

(7C) The Authority may cancel the registration of a corporation under sub-paragraph (7) if the corporation is issued with a capital markets services licence in fund management.

[S 385/2012 wef 07/08/2012]

(7D) A Registered Fund Management Company shall not cause or permit —

- (a) where it is incorporated in Singapore, its base capital; or
- (b) where it is a foreign company, its net head office funds,

to fall below \$250,000.

[S 385/2012 wef 07/08/2012]

(7E) A Registered Fund Management Company shall at all times employ at least 2 persons, each of whom has at least 5 years' experience that is relevant to the fund management activities it is carrying out.

[S 385/2012 wef 07/08/2012]

(7F) The total value of the managed assets of a Registered Fund Management Company shall not at any time exceed \$250 million.

[S 385/2012 wef 07/08/2012]

(7G) If a corporation which carries on business in fund management in reliance on sub-paragraph (1)(i) fails to meet the criterion in sub-paragraph (1)(i)(i) or to comply with sub-paragraph (7D), (7E) or (7F), or becomes aware that it will likely fail to meet any of those criteria or to comply with sub-paragraph (7D), (7E) or (7F), it shall —

- (a) immediately notify the Authority; and
- (b) cease any increase in positions, and not accept assets for fund management, until such time as advised by the Authority.

[S 385/2012 wef 07/08/2012]

(7H) If the Authority becomes aware that a corporation which carries on business in fund management in reliance on sub-paragraph (1)(i) fails to meet any criterion in sub-paragraph (1)(i)(i) or to comply with sub-paragraph (7D), (7E) or (7F), the Authority may direct the Registered Fund Management Company to operate its business in such manner and on such conditions as the Authority may impose, and the corporation to whom such direction is issued shall comply with the direction.

[S 385/2012 wef 07/08/2012]

(7I) A Registered Fund Management Company shall lodge with the Authority—

- (a) a notice of change of particulars in Form 23A providing any change in the particulars in the notice lodged under sub-paragraph (7), not later than 14 days after the date of the change;

- (b) a notice of cessation of business in Form 24A at any time prior to the cessation of its business in fund management; and
- (c) an annual declaration in Form 25A within one month after the end of each of its financial years.

[S 385/2012 wef 07/08/2012]

(7J) A Registered Fund Management Company shall submit an auditor's report in Form 25B, no later than 5 months after the end of each of its financial years.

[S 385/2012 wef 07/08/2012]

(7K) In this paragraph, "managed assets", in relation to a corporation (including one that is a Registered Fund Management Company), means all of the following:

- (a) moneys and assets contracted to, drawn down by or are under the discretionary authority granted by the customer to the corporation and in respect of which it is carrying out fund management;
- (b) moneys and assets contracted to the corporation, and are under the non-discretionary authority granted by the customer to the corporation, and in respect of which the corporation is carrying out fund management;
- (c) moneys and assets contracted to the corporation, but which have been sub-contracted to another party and for which the other party is carrying out fund management, whether on a discretionary authority granted by the customer or otherwise.

[S 385/2012 wef 07/08/2012]

(7L) In sub-paragraph (7K), moneys and assets are contracted to a corporation if they are the subject-matter of a contract for fund management between the corporation and its customer.

[S 385/2012 wef 07/08/2012]

(8) Every person exempted under sub-paragraph (1)(a), (e), (h) or (i) shall furnish to the Authority, at such time and in such manner as the Authority may direct, all such information concerning his business in fund management as the Authority may reasonably require.

[S 385/2012 wef 07/08/2012]

(9) *[Deleted by S 385/2012 wef 07/08/2012]*

Providing Custodial Services ~~for Securities~~

Exemption from requirement to hold capital markets services licence to provide custodial services ~~for securities~~

6.—(1) The following persons shall be exempted from the requirement to hold a capital markets services licence to carry on business in providing custodial services ~~for securities~~, subject to the conditions and restrictions specified:

- (a) a trustee of a qualified arrangement in respect of ~~specified products~~~~securities~~ when carrying out his duties of managing and administering such arrangement;
- (b) a company or society registered under the Insurance Act (Cap. 142) when carrying on business in providing custodial services only in respect of units of any collective investment scheme;
- (c) a Service Company acting as an agent in Singapore for any member of Lloyd's, when carrying on business in providing custodial services only in respect of units of any collective investment scheme.

(2) Part III of these Regulations shall, with the necessary modifications, apply to each of the persons referred to in sub-paragraph (1)(b) and (c) as if it were the holder of a capital markets services licence and, where applicable, to a representative of any of these persons when acting as such, as if he were the holder of a representative's licence.

Advising on Corporate Finance

Exemption from requirement to hold capital markets services licence to advise on corporate finance

7.—(1) The following persons shall be exempted from the requirement to hold a capital markets services licence to carry on business in advising on corporate finance, subject to the conditions and restrictions specified:

- (a) a person who carries on business in giving advice on corporate finance to a related corporation, provided that —
 - (i) such advice is not specifically given for the making of any offer of ~~specified products~~ ~~securities~~ to the public by the related corporation; and
 - (ii) where the related corporation is —
 - (A) a public company;
 - (B) listed on ~~an approved exchange~~ ~~a securities exchange~~; or
 - (C) a subsidiary of a corporation listed on ~~an approved exchange~~ ~~a securities exchange~~,

such advice is not circulated to the shareholders (other than shareholders who are accredited investors, **expert investors or institutional investors**) of (in the case of sub-paragraph (A) or (B)) the related corporation or (in the case of sub-paragraph (C)) the listed corporation, or is otherwise made known to the public;

(b) a person resident in Singapore who carries on business in Singapore in giving advice on corporate finance to accredited investors, **expert investors or institutional investors**, provided that —

- (i) such advice is not specifically given for the making of any offer of **specified products securities** to the public by the accredited investor, **expert investor or institutional investor** to whom the advice was given; and
- (ii) where the accredited investor, **expert investor or institutional investor** is —

(A) a public company;

(B) listed on **an approved exchange**~~a securities exchange~~; or

(C) a subsidiary of a corporation listed on **an approved exchange**
~~a securities exchange~~,

such advice is not circulated to the shareholders (other than shareholders who are accredited investors, **expert investors or institutional investors**) of (in the case of sub-paragraph (A) or (B)) the accredited investor, **expert investor or institutional investor** or (in the case of sub-paragraph (C)) the listed corporation, or is otherwise made known to the public;

(c) a person who advises another person concerning any arrangement, reconstruction or take-over of any corporation or any of the corporation's assets or liabilities, provided that —

- (i) such advice is not specifically given for the making of any offer of securities to the public by the second-mentioned person; and
- (ii) where the second-mentioned person is —

(A) a public company;

(B) listed on **an approved exchange**~~a securities exchange~~; or

(C) a subsidiary of a corporation listed on **an approved exchange**
~~securities exchange~~,

such advice is not circulated to the shareholders (other than shareholders who are accredited investors, **expert investors or institutional investors**) of (in the case of sub-paragraph (A) or (B)) the second-mentioned person or (in the case of sub-paragraph (C)) the listed corporation, or is otherwise made known to the public;

(d) a person who carries on business in giving advice to another person concerning compliance with or in respect of any laws or regulatory requirements relating to the raising of funds not involving any **specified products**~~securities~~.

(2) A person otherwise exempted under sub-paragraph (1)(a), (b), ~~or~~ (c) **or (d)** shall not be or shall cease to be so exempted if he also carries on business in advising on corporate finance other than in accordance with sub-paragraph (1)(a), (b), (c) or (d).

(2A) A person otherwise exempted under sub-paragraph (1)(b) shall not be or shall cease to be so exempted if —

- (a) he is the holder of a capital markets services licence in respect of any regulated activity;
- (b) he has not commenced business in advising on corporate finance in accordance with sub-paragraph (1)(b) within 6 months from the date of commencement of business as specified in the notice that the person has lodged with the Authority in accordance with sub-paragraph (6)(a); or
- (c) he has ceased to carry on business in advising on corporate finance in accordance with sub-paragraph (1)(b), and has not resumed business in the same regulated activity in accordance with that sub-paragraph, within a continuous period of 6 months from the date of cessation.

[S 373/2005 wef 01/07/2005]

(3) An individual otherwise exempted under sub-paragraph (1) shall not be or shall cease to be so exempted if —

- (a) he is or becomes a representative or employee of the holder of a capital markets services licence in advising on corporate finance;
- (b) he is or becomes an undischarged bankrupt whether in Singapore or elsewhere; or
- (c) he has been convicted of a relevant offence.

(4) A corporation otherwise exempted under sub-paragraph (1) shall not be or shall cease to be so exempted if —

- (a) the corporation or its substantial shareholder is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;
- (b) execution against the corporation or its substantial shareholder in respect of a judgment debt has been returned unsatisfied in whole or in part;
- (c) a receiver, a receiver and manager, a judicial manager or such other person having the powers and duties of a receiver, receiver and manager or judicial manager, has been appointed whether in Singapore or elsewhere in relation to, or in respect of, any property of the corporation or its substantial shareholder;

(d) the corporation or its substantial shareholder has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with its creditors, being a compromise or scheme of arrangement that is still in operation; or

(e) the corporation or its substantial shareholder has been convicted of a relevant offence.

(5) A person who is exempted under sub-paragraph (1)(b) shall —

(a) take reasonable measures to verify that the persons to whom he carries on business in advising on corporate finance are accredited investors, **expert investors or institutional investors**; and

(b) ensure that proper records are kept of any document evidencing the status of such persons.

(6) A person who is exempted under sub-paragraph (1)(b) shall lodge with the Authority —

(a) a notice of commencement of business in Form 22 not later than 14 days after the commencement of his business in advising on corporate finance;

(b) a notice of change of particulars in Form 23 providing any change in the particulars in the notice under sub-paragraph (a), not later than 14 days after the date of the change;

(c) a notice of cessation of business in Form 24 not later than 14 days after the cessation of his business in advising on corporate finance; and

(d) a declaration in Form 25 within 14 days after the end of the financial year of the person.

(7) Every person exempted under sub-paragraph (1)(b) shall furnish to the Authority, at such time and in such manner as the Authority may direct, all such information concerning his business in advising on corporate finance as the Authority may reasonably require.

(8) A person exempted under sub-paragraph (1)(b) who has, at any time before 1st October 2002, lodged a notice of commencement of business in the prescribed form under regulation 41(5)(a) of the revoked Securities Industry Regulations (Cap. 289, Rg 1) in relation to the activity specified in paragraph (a) of the definition of “investment adviser” in section 2 (1) of the repealed Securities Industry Act (Cap. 289) shall be deemed to have lodged a notice of commencement of business in compliance with sub-paragraph (6)(a).

Other Exemptions

Exemption from section 99B(1) of Act

8.—(1) Subject to sub-paragraph (7), an employee of the holder of a capital markets services licence for dealing in ~~capital markets products that are securities, units in a collective investment scheme, over-the-counter derivatives contracts, and specified exchange-traded derivatives contracts~~ ~~securities~~ ~~is shall be~~ exempted from section 99B(1) of the Act when carrying out any of the following for the account of the licence holder or for an account belonging to and maintained wholly for the benefit of a corporation related to the licence holder:

- (a) dealing in ~~capital markets products that are securities, units in a collective investment scheme, or specified exchange-traded derivatives contracts, or any combination of the foregoing, securities~~ on an approved exchange ~~a securities exchange~~ or recognised market operator; or
- (b) dealing in ~~capital markets products that are securities, units in a collective investment scheme, or specified exchange-traded derivatives contracts, or any combination of the foregoing, securities~~ with —
 - (i) an institutional investor; or
 - (ii) an entity licensed, approved, registered or otherwise regulated by a regulator who is responsible for the supervision of financial institutions in a jurisdiction other than Singapore.

(2) Subject to sub-paragraph (7), an employee of the holder of a capital markets services licence for ~~dealing in capital markets products that are futures contracts trading in futures contract~~ shall be exempted from section 99B(1) of the Act when carrying out regulated activities for the account of the licence holder or for an account belonging to and maintained wholly for the benefit of a corporation related to the licence holder.

(3) Subject to sub-paragraph (7), an employee of the holder of a capital markets services licence for ~~dealing in capital markets products that are spot foreign exchange contracts for the purposes of leveraged foreign exchange trading leveraged foreign exchange trading~~ shall be exempted from section 99B(1) of the Act when carrying out any of the following for the account of the licence holder or for an account belonging to and maintained wholly for the benefit of a corporation related to the licence holder:

- (a) ~~dealing in capital markets products that are spot foreign exchange contracts for the purposes of leveraged foreign exchange trading leveraged foreign exchange trading~~ with an institutional investor; or
- (b) ~~dealing in capital markets products that are spot foreign exchange contracts for the purposes of leveraged foreign exchange trading leveraged foreign exchange trading~~ with an entity licensed, approved, registered or otherwise regulated by a regulator who is responsible for the supervision of financial institutions in a jurisdiction other than Singapore.

(4) Subject to sub-paragraph (7), an employee of a person exempted under section 99(1)(a), (b) or (c) of the Act in respect of the activity of dealing in capital markets products that are securities, units in a collective investment scheme or specified exchange-traded derivatives contracts, or any combination of the foregoing securities shall be exempted from section 99B(1) of the Act when carrying out any of the following for the account of the exempt person or for an account belonging to and maintained wholly for the benefit of a corporation related to the exempt person:

- (a) dealing in capital markets products that are securities, units in a collective investment scheme, or specified exchange-traded derivatives contracts, or any combination of the foregoing securities on an approved exchange a securities exchange or recognised market operator; or
- (b) dealing in capital markets products that are securities, units in a collective investment scheme, over-the-counter derivatives contracts, or specified exchange-traded derivatives contracts, or any combination of the foregoing securities with —
 - (i) an institutional investor; or
 - (ii) an entity licensed, approved, registered or otherwise regulated by a regulator who is responsible for the supervision of financial institutions in a jurisdiction other than Singapore.

(5) Subject to sub-paragraph (7), an employee of a person exempted under section 99(1)(a), (b) or (c) of the Act in respect of the activity of dealing in capital markets products that are futures contracts trading in futures contract shall be exempted from section 99B(1) of the Act when carrying out that activity for the account of the exempt person or for an account belonging to and maintained wholly for the benefit of a corporation related to the exempt person.

(6) Subject to sub-paragraph (7), an employee of a person exempted under section 99(1)(a), (b) or (c) of the Act in respect of the activity of dealing in capital markets products that are spot foreign exchange contracts for the purposes of leveraged foreign exchange trading leveraged foreign exchange trading shall be exempted from section 99B(1) of the Act when carrying out any of the following for the account of the exempt person or for an account belonging to and maintained wholly for the benefit of a corporation related to the exempt person:

- (a) dealing in capital markets products that are spot foreign exchange contracts for the purposes of leveraged foreign exchange trading leveraged foreign exchange trading with an institutional investor; or
- (b) dealing in capital markets products that are spot foreign exchange contracts for the purposes of leveraged foreign exchange trading leveraged foreign exchange trading with an entity licensed, approved, registered or otherwise regulated by a regulator who is responsible for the supervision of financial institutions in a jurisdiction other than Singapore.

(7) Sub-paragraphs (1) to (6) —

(a) shall not apply to any activity of dealing in ~~capital markets products securities, trading in futures contract or leveraged foreign exchange trading~~ which involves customer account; and

(b) shall only apply if the employee, when dealing in ~~capital markets products securities, trading in futures contract or leveraged foreign exchange trading~~ —

(i) does not have access to customers' trade and order information; and

(ii) is not in a position to control or affect the order or priority of executing customers' orders.

(8) A person shall, when acting as a representative of the holder of a capital markets services licence or person exempt under section 99(1)(a), (b) or (c) of the Act in respect of the activity of ~~product financing securities financing~~ or providing custodial services ~~for securities~~, be exempted from section 99B(1) of the Act, as the case may be.

[S 709/2010 wef 26/11/2010]

Exemption for exchange holding company

9. An exchange holding company shall be exempted from the requirement to hold a capital markets services licence in respect of any regulated activity insofar as its carrying out of such regulated activity is solely incidental to its operation as an exchange holding company.

THIRD SCHEDULE

Regulation 6(1) and (6)

FEES

<i>First column</i>		<i>Second column</i>	<i>Third column</i>	<i>Fourth column</i>
<i>No.</i>	<i>Provision of Act</i>	<i>Matter</i>	<i>Amount</i>	<i>Manner and Time of Payment</i>
1.	Section 84(3)	Application for grant of a capital markets services licence	\$1,000	In the manner specified by the Authority, at time of application
2.	Section 85(1)	Annual licence fee for capital markets services licence in respect of —		(a) Where the holder has no GIRO arrangement with the Authority, in the manner specified by the Authority by the date specified in the fee advice.
		(a) dealing in securities —		(b) Where the holder has GIRO arrangement with the Authority, by GIRO by the date specified by the Authority in the fee advice.
		(i) where the holder is a member of the Singapore Exchange Securities Trading Limited; or	\$8,000	
		(ii) where the holder is any other person;	\$4,000	
		(c) fund management;	\$4,000	
		(d) advising on corporate finance;	\$4,000	
		(e) trading in futures contracts;	\$2,000	
		(f) leveraged foreign exchange trading;	\$2,000	
		(g) securities financing;	\$2,000	
		(h) providing custodial services for securities;	\$2,000	
		(i) real estate investment trust management;	\$4,000	

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- (j) providing credit rating services \$4,000
- | | | | |
|----|----------------|--|--|
| 3. | Section 90(2) | Application to add type(s) of regulated activity to capital markets services licence | Payable by GIRO by the 16th day of the month following that in which application is made |
| 4. | Section 99K(1) | Lodgment of documents under section 99H of the Act for appointment of appointed, provisional or temporary representative | <p>(a) Where principal is an applicant for capital markets services licence, in the manner specified by the Authority, at time of lodgment.</p> <p>(b) Where principal is a holder of capital markets services licence, and —</p> <p style="padding-left: 20px;">(i) it has no GIRO arrangement with the Authority, in the manner specified by the Authority, by the date specified in the fee advice; or</p> <p style="padding-left: 20px;">(ii) it has GIRO arrangement with the Authority, by GIRO by the 16th day of the month following that in which lodgment is made.</p> |
| 5. | Section 99K(2) | <p>Annual fee for retention of name of appointed or provisional representative in the public register of representatives in the year in which the name is first entered in the register, where the regulated activity is —</p> <p style="padding-left: 40px;">(a) dealing in securities;</p> | <p>Amount derived from the formula:</p> $\frac{A}{365} \times Y$ <p>where:</p> |

“A” is the number of days between the date the name of appointed or provisional representative is first entered in the register

and 31st December
of same year, both
dates inclusive; and

(b) fund management; “Y” is —

(c) advising on corporate finance;	(a) \$700 where the regulated activity or one of the regulated activities is dealing in securities on behalf of a principal who is a member of the Singapore Exchange Securities Trading Limited; or	(b) Where principal has GIRO arrangement with the Authority, by GIRO by the 16th day of the month following that in which name is entered in the register.
(d) trading in futures contracts;	(b) \$200 where the regulated activity is one of, or the regulated activities are 2 or more of, the following:	
(e) leveraged foreign exchange trading;	(i) dealing in securities on behalf of a principal who is any other person;	
(f) real estate investment trust management; or	(ii) fund management;	
(g) providing credit rating services	(iii) advising on corporate finance; (iv) trading in futures contracts; (v) leveraged foreign	

		exchange trading;	
		(vi) real estate investment trust management; or	
		(vii) providing credit rating services	
6.	Section 99K(2)	Annual fee for retention of name of appointed or provisional representative in the public register of representatives in any other year, where the regulated activity is —	(a) Where principal has no GIRO arrangement with the Authority, in the manner specified by the Authority by the date specified in the fee advice. (b) Where principal has a GIRO arrangement with the Authority, by GIRO by the date specified by the Authority in the fee advice.
		(a) dealing in securities —	
		(i) where the principal is a member of the Singapore Exchange Securities Trading Limited; or	
		(ii) where the principal is any other person;	
		(c) fund management;	\$200
		(d) advising on corporate finance;	\$200
		(e) trading in futures contracts;	\$200
		(f) leveraged foreign exchange trading;	\$200
		(g) real estate investment trust management; or	\$200
		(h) providing credit rating services,	\$200
		or where there is more than one regulated activity	the higher or highest of the relevant amounts set out above for those regulated activities
7.	Section 99K(3)	Fee payable by a temporary representative for retention of name of temporary representative in the public register of representatives, where the regulated activity is —	(a) Where principal has no GIRO arrangement with the Authority, in the manner specified by the

ANNEX B

Authority by the date specified in the fee advice.

(a) dealing in securities —

(b) Where principal has GIRO arrangement with the Authority, by GIRO by the 16th day of the month following that in which name is entered in the register.

(i) where the principal is a member of the Singapore Exchange Securities Trading Limited; or

(ii) where the principal is any other person;

(c) fund management; \$200

(d) advising on corporate finance; \$200

(e) trading in futures contracts; \$200

(f) leveraged foreign exchange trading; \$200

(g) real estate investment trust management; or \$200

(h) providing credit rating services; \$200

or where there is more than one regulated activity the higher or highest of the relevant amounts set out above for those regulated activities

8. Section 99K(4) Resubmission of a form for lodgment of documents under section 99H(1) of the Act for the appointment of appointed, provisional or temporary representative \$100

(a) Where principal has no GIRO arrangement with the Authority, in the manner specified by the Authority by the date specified in the fee advice.

(b) Where principal has GIRO arrangement with the Authority, by GIRO by the 16th day of the month following that in which resubmission is made

9. Section 99A(1) Annual fee payable by Registered Fund Management Company for

Payable by the date and in the manner specified by

ANNEX B

the year of commencement of business Amount derived from the formula: the Authority in the fee advice.

$$\frac{B}{365} \times \$1,000$$

where:

“B” is the number of days between 1st April 2013 or the date of commencement of business (whichever is the later), and 31st December of the same year, both dates inclusive

Annual fee payable by Registered Fund Management Company for any year following the year of commencement of business \$1,000

Payable by the date and in the manner specified by the Authority in the fee advice.

10. Section 317(2)	Inspection of and extraction from records	\$20 per name submitted for no inspection inclusive of the goods and services tax chargeable under the Goods and Services Tax Act (Cap. 117A)	(a) Where the person has no GIRO arrangement with the Authority, in the manner specified by the Authority, by the date specified in the fee advice. (b) Where the principal has a GIRO arrangement with the Authority, by GIRO by the 16 th day of the month following that in which the request for inspection of and extraction from record is made.

#For the avoidance of doubt, this fee is still required to be paid if the date on which the name is entered in the register is 31st December.

*[S 171/2013 wef 02/04/2013]
 [S 385/2012 wef 01/04/2013]
 [S 170/2013 wef 28/03/2013]
 [S 18/2012 wef 17/01/2012]
 [S 709/2010 wef 26/11/2010]*

LEGISLATIVE HISTORY

SECURITIES AND FUTURES (LICENSING AND CONDUCT OF BUSINESS)
REGULATIONS
(CHAPTER 289, RG 10)

This Legislative History is provided for the convenience of users of the [Securities and Futures \(Licensing and Conduct of Business\) Regulations](#). It is not part of these Regulations.

1. G. N. No. S 457/2002—Securities and Futures (Licensing and Conduct of Business) Regulations 2002

Date of commencement : 1 October 2002

2. G. N. No. S 457/2002—Securities and Futures (Licensing and Conduct of Business) Regulations 2002

Date of commencement : 1 April 2003

3. G. N. No. S 543/2003—Securities and Futures (Licensing and Conduct of Business) (Amendment) Regulations 2003

Date of commencement : 22 December 2003

4. [2004 Revised Edition—Securities and Futures \(Licensing and Conduct of Business\) Regulations](#)

Date of operation : 29 February 2004

5. G. N. No. S 373/2005—Securities and Futures (Licensing and Conduct of Business) (Amendment) Regulations 2005

(G.N. No. S 404/2005 — Corrigendum)

Date of commencement : 1 July 2005

6. G. N. No. S 275/2008—Securities and Futures (Licensing and Conduct of Business) (Amendment) Regulations 2008

Date of commencement : 28 May 2008

7. G. N. No. S 374/2008—Securities and Futures (Licensing and Conduct of Business) (Amendment No. 2) Regulations 2008

Date of commencement : 1 August 2008

8. G.N. No. S 709/2010—Securities and Futures (Licensing and Conduct of Business) (Amendment) Regulations 2010

Date of commencement : 26 November 2010

9. G.N. No. S 418/2011—Securities and Futures (Licensing and Conduct of Business) (Amendment) Regulations 2011

Date of commencement : 31 August 2011

10. G.N. No. S 18/2012—Securities and Futures (Licensing and Conduct of Business) (Amendment) Regulations 2012

Date of commencement : 17 January 2012

11. G.N. No. S 385/2012—Securities and Futures (Licensing and Conduct of Business) (Amendment No. 2) Regulations 2012

Date of commencement : 7 August 2012

12. G.N. No. S 503/2012—Securities and Futures (Licensing and Conduct of Business) (Amendment No. 3) Regulations 2012

Date of commencement : 19 November 2012

13. G.N. No. S 170/2013—Securities and Futures (Licensing and Conduct of Business) (Amendment) Regulations 2013

Date of commencement : 28 March 2013

14. G.N. No. S 385/2012—Securities and Futures (Licensing and Conduct of Business) (Amendment No. 2) Regulations 2012

Date of commencement : 1 April 2013

15. G.N. No. S 171/2013—Securities and Futures (Licensing and Conduct of Business) (Amendment No. 2) Regulations 2013

Date of commencement : 2 April 2013

16. G.N. No. S 170/2013—Securities and Futures (Licensing and Conduct of Business) (Amendment) Regulations 2013

Date of commencement : 28 March 2014

17. G.N. No. S 523/2016—Securities and Futures (Licensing and Conduct of Business) (Amendment) Regulations 2016

Date of commencement : 1 November 2016

SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
(SHARES, ~~AND~~ DEBENTURES AND BUSINESS
TRUSTS) REGULATIONS ~~2005~~2017

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In exercise of the powers conferred by sections 240, 240A, 243, 249, 251, 262, 272A, 272B, 277, 280, 318, 337, 339, and 341 ~~and 343~~ of the Securities and Futures Act (as amended by the Securities and Futures (Amendment) Act 2005~~16~~ (Act ~~135~~ of 2005~~16~~)), the Monetary Authority of Singapore hereby makes the following Regulations:

PART I PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Securities and Futures (Offers of Investments) (Shares, ~~and~~ Debentures and Business Trusts) Regulations ~~2005-2017~~ and shall come into operation on ~~15th October 2005~~ [].

Definitions

2.—(1) In these Regulations, unless the context otherwise requires

—

“ASEAN Debt Securities Disclosure Standards” means the common disclosure standards issued by the ASEAN Capital Markets Forum for any ASEAN Offering of Plain Debt Securities, updated from time to time and set out at the official website of the Authority at <http://www.mas.gov.sg>;

[S 271/2009 wef 19/06/2009]

[S 186/2013 wef 02/04/2013]

“ASEAN Equity Securities Disclosure Standards” means the common disclosure standards issued by the ASEAN Capital Markets Forum for any ASEAN Offering of equity securities, updated from time to time and set out at the official website of the Authority at <http://www.mas.gov.sg>;

[S 271/2009 wef 19/06/2009]

“ASEAN Offering” means an offer of shares or Plain Debt Securities in Singapore and at least one other ASEAN participant country;

[S 271/2009 wef 19/06/2009]

[S 186/2013 wef 02/04/2013]

“ASEAN participant country” means a member country of ASEAN which has adopted the ASEAN Debt Securities Disclosure Standards or ASEAN Equity Securities Disclosure Standards, or both, as part of its disclosure requirements for offers of securities, and which is listed on the official website of the Authority at <http://www.mas.gov.sg> as such;

[S 271/2009 wef 19/06/2009]

“asset-backed securities” has the same meaning as in section 262(3) of the Act;

“continuously issued structured notes” means structured notes —

- (a) which are issued and offered by a specified financial institution in the ordinary course of its business; and
- (b) of which the terms applicable to each offer are negotiated and agreed upon over-the-counter, at the time of the transaction, between the specified financial institution and the person to whom the offer is made;

“Plain Debt Securities” has the same meaning as in the ASEAN Debt Securities Disclosure Standards;

[S 186/2013 wef 02/04/2013]

“reference assets”, in relation to an offer of structured notes, means —

- (a) any securities or securities-based derivatives contracts, equity interest, commodity or index;
 - (b) any basket consisting of any securities or securities-based derivatives contracts, equity interests, commodities or indices;
 - (c) any entity or basket of entities; or
 - (d) any interest rates or currency exchange rates, which payments to holders are or will be linked to;
- “securitisation transaction” has the same meaning as in section 262(3) of the Act;

“single purpose vehicle” has the same meaning as in section 240AA(5) of the Act; ~~means an entity that is established solely in order to, or a trust that is established solely in order for its trustee to, do either or both of the following:~~

- ~~(a) act as counterparty to arrangements which involve the use of derivatives to create exposure to assets from which payments to holders of any structured notes are or will be primarily derived;~~
- ~~(b) issue any structured notes;~~

“specified financial institution” has the same meaning as in section 240AA(5) of the Act ~~means —~~

- ~~(a) any bank licensed under the Banking Act (Cap. 19);~~
- ~~or~~

~~(b) any entity, or any entity of a class, specified by the Authority by notification published in the Gazette to be an entity, or an entity of a class, for the purposes of issuing structured notes;~~

~~“structured notes” has the same meanings as in section 240AA(5) of the Act; any type of debentures or units of debentures —~~

~~(a) which are issued —~~

~~(i) in relation to a synthetic securitisation transaction; or~~

~~[S 470/2012 wef 01/10/2012]~~

~~(ii) by a specified financial institution; and~~

~~(b) in respect of which —~~

~~(i) either or both of the principal sum and any interest are payable;~~

~~(ii) one or more of the underlying securities, equity interests, commodities and currencies are to be physically delivered; or~~

~~(iii) either or both of the principal sum and any interest are payable, and one or more of the underlying securities, equity interests, commodities and currencies are to be physically delivered,~~

~~in accordance with a formula based on one or more of the following:~~

~~(A) the performance of any type of securities, equity interest, commodity or index, or of a basket of more than one — types of securities, equity — interests, commodities or indices;~~

~~(B) the credit risk or performance of any entity or a basket of entities;~~

~~(C) the movement of interest rates or currency exchange rates;~~

~~“synthetic securitisation transaction” has the same meaning as in section 240AA(5) of the Act; an arrangement involving the use of derivatives to create or replicate exposure to assets that are not transferred to, or are not a part of an asset pool held by, a single purpose vehicle.~~

~~[S 470/2012 wef 01/10/2012]~~

~~[Deleted by S 470/2012 wef 01/10/2012]~~

(2) Any word or expression used in these Regulations which is defined in section 239 of the Act shall have the same meaning as in that section.

(3) Any word or expression used in the Fifth to ~~Six~~Nineteenth Schedules shall, unless the context otherwise requires, be interpreted in accordance with this regulation and the Fourth Schedule.

[S 186/2013 wef 02/04/2013]

Obligations of specified financial institution

3.—(1) The Authority may, by notice in writing —

- (a) impose such conditions or restrictions on a specified financial institution in relation to the issue of structured notes by the specified financial institution as the Authority thinks fit; and
- (b) at any time vary or revoke any condition or restriction so imposed,

and the specified financial institution shall comply with every such condition or restriction which has not been revoked.

(2) Any specified financial institution which contravenes any condition or restriction imposed under paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a

further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

Forms

4.—(1) The forms to be used for the purposes of Division 1 of Part XIII of the Act and these Regulations are those set out at the Authority's Internet website at <http://www.mas.gov.sg> (under "OPERA"), or at <https://eservices.mas.gov.sg/opera> ~~<https://opera.mas.gov.sg>~~, and any reference in these Regulations to a numbered form shall be construed as a reference to the current version of the form bearing the corresponding number which is displayed at that website.

~~[S 11/2014 wef 13/01/2014]~~

(2) Any document required to be lodged with the Authority under any provision of Division 1 of Part XIII of the Act or these Regulations shall be lodged using Form 1.

(3) All forms used for the purposes of Division 1 of Part XIII of the Act and these Regulations shall be completed in the English language and in accordance with such directions as may be specified in the form or by the Authority.

(4) The Authority may refuse to accept any form if —

- (a) it is not completed or lodged in accordance with this regulation; or
- (b) it is not accompanied by the relevant fee referred to in regulation 5.

Fees

5.—(1) Subject to paragraph (2), the fees specified in the First Schedule shall be payable to the Authority for the purposes specified therein, and shall not be refundable.

(2) The Authority may waive in whole or in part any fee under item 4, 5 or 20 of the First Schedule as it thinks fit.

PART II

PROSPECTUS REQUIREMENTS

Information that may be omitted from preliminary document

6. For the purposes of section 240(3) of the Act, the information set out in the Second Schedule may be omitted from a preliminary document under the circumstances specified, if any, in relation to that information in that Schedule.

Debenture issuance programmes

7.—(1) Subject to paragraphs (2) to (8), for the purposes of section 240A(8) of the Act, the provisions of Subdivision (2) of Division 1 of Part XIII of the Act shall be applied to an offer of debentures or units of debentures (other than continuously issued structured notes) that is part of a debenture issuance programme with the following modifications:

- (a) a reference to a prospectus shall be construed as a reference to —
 - (i) the base prospectus applicable to every offer under the debenture issuance programme (referred to in this paragraph, paragraphs (2) to (8) and the Third Schedule as the base prospectus);
 - (ii) the pricing statement in relation to the offer (referred to in this paragraph, paragraphs (2) to (8) and the Third Schedule as the pricing statement); or
 - (iii) both the base prospectus and the pricing statement, in accordance with Part I of the Third Schedule;
- (b) a reference to a profile statement shall be construed as a reference to —
 - (i) the base profile statement applicable to every offer under the debenture issuance programme (referred

to in this paragraph, paragraphs (2) to (8) and the Third Schedule as the base profile statement); or

- (ii) both the base profile statement and the pricing statement,

in accordance with Part II of the Third Schedule; and

- (c) a reference in sections 240(2), (3) and (9) and 251(3) and (4) of the Act to a preliminary document shall be construed as a reference to —

- (i) the preliminary base prospectus applicable to every offer under the debenture issuance programme (referred to in this paragraph and the Third Schedule as the preliminary base prospectus);
- (ii) the preliminary base prospectus and the preliminary pricing statement in relation to the offer (referred to in this paragraph and the Third Schedule as the preliminary pricing statement); or
- (iii) the base prospectus and the preliminary pricing statement,

in accordance with Part III of the Third Schedule.

(2) For the purposes of section 240A(8) of the Act, section 241(1) of the Act, when applied to an offer of debentures or units of debentures (other than continuously issued structured notes) that is part of a debenture issuance programme, shall be modified to read as follows:

“(1) If, after a base prospectus and a pricing statement, or a base profile statement and a pricing statement, are registered but before the close of the offer of debentures or units of debentures (other than continuously issued structured notes) that is part of a debenture issuance programme securities, the person making that offer becomes aware of —

- (a) a false or misleading statement in the base prospectus, pricing statement, base prospectus and pricing statement, base profile statement or base profile statement and pricing statement, as the case may be;
 - (b) an omission from the base prospectus, pricing statement or base prospectus and pricing statement of any information that should have been included in it under section 243, or an omission from the base profile statement, pricing statement or base profile statement and pricing statement of any information that should have been included in it under section 246, as the case may be; or
 - (c) a new circumstance that —
 - (i) has arisen since the base prospectus, pricing statement, base prospectus and pricing statement, base profile statement or base profile statement and pricing statement, as the case may be, was lodged with the Authority; and
 - (ii) would have been required by —
 - (A) section 243 to be included in the base prospectus, pricing statement or base prospectus and pricing statement, as the case may be; or
 - (B) section 246 to be included in the base profile statement, pricing statement or base profile statement and pricing statement, as the case may be,
- if it had arisen before the base prospectus, pricing statement, base prospectus and pricing statement, base profile statement or base profile

statement and pricing statement, as the case may be, was lodged,

and that is materially adverse from the point of view of an investor, the person may lodge a supplementary or replacement base prospectus, pricing statement, base prospectus and pricing statement, as the case may be, or a supplementary or replacement base profile statement or base profile statement and pricing statement, as the case may be (referred to in this section as a supplementary or replacement document, as the case may be), with the Authority.”.

(3) For the purposes of section 240A(8) of the Act, section 241(2) and (3) of the Act, when applied to an offer of debentures or units of debentures (other than continuously issued structured notes) that is part of a debenture issuance programme, shall be modified to read as follows:

“(2) At the beginning of a supplementary document, there shall be —

- (a) a statement that it is a supplementary base prospectus, supplementary pricing statement, supplementary base prospectus and pricing statement, supplementary base profile statement or supplementary base profile statement and pricing statement, as the case may be;
- (b) an identification of the base prospectus, pricing statement, base prospectus and pricing statement, base profile statement or base profile statement and pricing statement it supplements;
- (c) an identification of any previous supplementary document lodged with the Authority in relation to the offer; and
- (d) a statement that it is to be read together with the base prospectus, pricing statement, base prospectus and

pricing statement, base profile statement or base profile statement and pricing statement it supplements and any previous supplementary document in relation to the offer.

(3) At the beginning of a replacement document, there shall be —

- (a) a statement that it is a replacement base prospectus, replacement pricing statement, replacement base prospectus and pricing statement, replacement base profile statement or replacement base profile statement and pricing statement, as the case may be; and
- (b) an identification of the base prospectus, pricing statement, base prospectus and pricing statement, base profile statement or base profile statement and pricing statement it replaces.”.

(4) For the purposes of section 240A(8) of the Act, section 241(6) and (6B) of the Act, when applied to an offer of debentures or units of debentures (other than continuously issued structured notes) that is part of a debenture issuance programme, shall be modified to read as follows:

“(6) For the purposes of the application of this Division to events that occur after the lodgment of the supplementary document —

- (a) where the supplementary document is a supplementary base prospectus, supplementary pricing statement or supplementary base prospectus and pricing statement, the base prospectus and pricing statement in relation to the offer shall be taken to be the original base prospectus and pricing statement together with the supplementary base prospectus, supplementary pricing statement or

supplementary base prospectus and pricing statement, as the case may be, and any previous supplementary base prospectus, supplementary pricing statement or supplementary base prospectus and pricing statement in relation to the offer; and

- (b) where the supplementary document is a supplementary base profile statement, supplementary pricing statement or supplementary base profile statement and pricing statement, the base profile statement and pricing statement in relation to the offer shall be taken to be the original base profile statement and pricing statement together with the supplementary base profile statement, supplementary pricing statement or supplementary base profile statement and pricing statement, as the case may be, and any previous supplementary base profile statement, supplementary pricing statement or supplementary base profile statement and pricing statement in relation to the offer.

(6B) For the purposes of the application of this Division to events that occur after the lodgment of the replacement document —

- (a) where the replacement document is a replacement base prospectus, the base prospectus and pricing statement in relation to the offer shall be taken to be the replacement base prospectus and the original pricing statement;
- (b) where the replacement document is a replacement base prospectus and pricing statement, the base prospectus and pricing statement in relation to the offer shall be taken to be the replacement base prospectus and pricing statement;

- (c) where the replacement document is a replacement base profile statement, the base profile statement and pricing statement in relation to the offer shall be taken to be the replacement base profile statement and the original pricing statement;
- (d) where the replacement document is a replacement base profile statement and pricing statement, the base profile statement and pricing statement in relation to the offer shall be taken to be the replacement base profile statement and pricing statement;
- (e) where the replacement document is a replacement pricing statement —
 - (i) the base prospectus and pricing statement in relation to the offer shall be taken to be the original base prospectus and the replacement pricing statement; and
 - (ii) the base profile statement and pricing statement in relation to the offer shall be taken to be the original base profile statement and the replacement pricing statement.”.

(5) For the purposes of section 240A(8) of the Act, section 242(1) and (2) of the Act, when applied to an offer of debentures or units of debentures (other than continuously issued structured notes) that is part of a debenture issuance programme, shall be modified to read as follows:

“(1) If a base prospectus and a pricing statement have been registered and —

- (a) the Authority is of the opinion that the base prospectus, pricing statement or base prospectus and pricing statement contains or contain a false or misleading statement;

- (b) there is an omission from the base prospectus, pricing statement or base prospectus and pricing statement of any information that is required to be included in it under section 243;
- (c) the Authority is of the opinion that the base prospectus, pricing statement or base prospectus and pricing statement does or do not comply with the requirements of this Act; or
- (d) the Authority is of the opinion that it is in the public interest to do so,

the Authority may by an order in writing (referred to in this section as a stop order) served on the person making the offer of ~~debentures or units of debentures~~ securities—to which the base prospectus and pricing statement relate direct that no or no further ~~debentures or units of debentures~~ securities be allotted, issued or sold.

(2) If a base profile statement and a pricing statement have been registered and —

- (a) the Authority is of the opinion that the base profile statement, pricing statement or base profile statement and pricing statement contains or contain a false or misleading statement;
- (b) there is an omission from the base profile statement, pricing statement or base profile statement and pricing statement of any information that is required to be included in it under section 246;
- (c) the Authority is of the opinion that the base profile statement, pricing statement or base profile statement and pricing statement does or do not comply with the requirements of this Act; or
- (d) the Authority is of the opinion that it is in the public interest to do so,

the Authority may by an order in writing (referred to in this section as a stop order) served on the person making the offer of debentures or units of debentures ~~securities~~ to which the base profile statement and pricing statement relate direct that no or no further debentures or units of debentures ~~securities~~ be allotted, issued or sold.”.

(6) For the purposes of section 240A(8) of the Act, section 252(1) of the Act, when applied to an offer of debentures or units of debentures (other than continuously issued structured notes) that is part of a debenture issuance programme, shall be modified to read as follows:

“(1) A person referred to in section 254(3) (other than paragraph (a)) shall notify in writing the person making the offer of debentures or units of debentures (other than continuously issued structured notes) ~~securities~~, as soon as practicable, if he becomes aware at any time after the base prospectus and pricing statement, or the base profile statement and pricing statement, are registered by the Authority but before the close of ~~the~~ offer that is part of the debenture issuance programme that —

- (a) a statement in the base prospectus, pricing statement, base prospectus and pricing statement, base profile statement or base profile statement and pricing statement is false or misleading;
- (b) there is an omission to state any information required to be included in the base prospectus, pricing statement or base prospectus and pricing statement under section 243 or there is an omission to state any information required to be included in the base profile statement, pricing statement or base profile statement and pricing statement under section 246, as the case may be;
- (c) a new circumstance —

- (i) has arisen since the base prospectus, pricing statement, base prospectus and pricing statement, base profile statement or base profile statement and pricing statement was or were lodged with the Authority; and
- (ii) would have been required to be included in the base prospectus, pricing statement or base prospectus and pricing statement under section 243, or required to be included in the base profile statement, pricing statement or base profile statement and pricing statement under section 246, as the case may be, if it had arisen before the base prospectus, pricing statement, base prospectus and pricing statement, base profile statement or base profile statement and pricing statement was or were lodged with the Authority,

and the failure to so notify would have been materially adverse from the point of view of an investor.”.

(7) For the purposes of section 240A(8) of the Act, section 253(1) of the Act, when applied to an offer of debentures or units of debentures (other than continuously issued structured notes) that is part of a debenture issuance programme, shall be modified to read as follows:

“(1) Where an offer of debentures or units of debentures (other than continuously issued structured notes)~~securities~~ is made in or accompanied by a base prospectus and a pricing statement, or a base profile statement and a pricing statement, or, in the case of an offer referred to in section 280, where a base prospectus and a pricing statement, or a base profile statement and a pricing statement, are prepared and issued in relation to ~~the~~an offer that is part of the debenture issuance programme, and —

- (a) a false or misleading statement is contained in —
 - (i) the base prospectus, pricing statement, base prospectus and pricing statement, base profile statement or base profile statement and pricing statement; or
 - (ii) any application form for the debentures or units of debentures~~securities~~;
- (b) there is an omission to state any information required to be included in the base prospectus, pricing statement or base prospectus and pricing statement under section 243 or there is an omission to state any information required to be included in the base profile statement, pricing statement or base profile statement and pricing statement under section 246, as the case may be; or
- (c) there is an omission to state a new circumstance that —
 - (i) has arisen since the base prospectus, pricing statement, base prospectus and pricing statement, base profile statement or base profile statement and pricing statement was or were lodged with the Authority; and
 - (ii) would have been required to be included in the base prospectus, pricing statement or base prospectus and pricing statement under section 243, or required to be included in the base profile statement, pricing statement or base profile statement and pricing statement under section 246, as the case may be, if it had arisen before the base prospectus, pricing statement, base prospectus and pricing statement, base profile statement or base profile statement and pricing statement was or were lodged with the Authority,

the persons referred to in subsection (4) shall be guilty of an offence even if such persons, unless otherwise specified, were not involved in the making of the false or misleading statement or the omission, and shall be liable on conviction to a fine not exceeding \$150,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$15,000 for every day or part thereof during which the offence continues after conviction.”.

(8) For the purposes of section 240A(8) of the Act, section 254(1) of the Act, when applied to an offer of debentures or units of debentures (other than continuously issued structured notes) that is part of a debenture issuance programme, shall be modified to read as follows: “(1) Where an offer of debentures or units of debentures (other than continuously issued structured notes)~~securities~~ is made in or accompanied by a base prospectus and a pricing statement, or a base profile statement and a pricing statement, or, in the case of an offer referred to in section 280, where a base prospectus and a pricing statement, or a base profile statement and a pricing statement, are prepared and issued in relation to ~~the~~an offer that is part of the debenture issuance programme, and —

- (a) a false or misleading statement is contained in —
 - (i) the base prospectus, pricing statement, base prospectus and pricing statement, base profile statement or base profile statement and pricing statement; or
 - (ii) any application form for the debentures or units of debentures~~securities~~;
- (b) there is an omission to state any information required to be included in the base prospectus, pricing statement or base prospectus and pricing statement under section 243 or there is an omission to state any information required to be included in the base profile statement, pricing

statement or base profile statement and pricing statement under section 246, as the case may be; or

(c) there is an omission to state a new circumstance that —

(i) has arisen since the base prospectus, pricing statement, base prospectus and pricing statement, base profile statement or base profile statement and pricing statement was or were lodged with the Authority; and

(ii) would have been required by section 243 to be included in the base prospectus, pricing statement or base prospectus and pricing statement, or required to be included in the base profile statement, pricing statement or base profile statement and pricing statement under section 246, as the case may be, if it had arisen before the base prospectus, pricing statement, base prospectus and pricing statement, base profile statement or base profile statement and pricing statement was or were lodged with the Authority,

the persons referred to in subsection (3) shall be liable to compensate any person who suffers loss or damage as a result of the false or misleading statement in or omission from the base prospectus, pricing statement, base prospectus and pricing statement, base profile statement or base profile statement and pricing statement, even if such persons, unless otherwise specified, were not involved in the making of the false or misleading statement or omission.”.

(9) For the purposes of section 240A(8) of the Act, the provisions of Subdivision (2) of Division 1 of Part XIII of the Act shall be applied to an offer of continuously issued structured notes that is part of a debenture issuance programme with the following modifications:

- (a) a reference to a prospectus shall be construed as a reference to the base prospectus applicable to every offer under the debenture issuance programme;
- (b) a reference to a profile statement shall be construed as a reference to the base profile statement applicable to every offer under the debenture issuance programme; and
- (c) a reference in sections 240(2), (3) and (9) and 251(3) and (4) of the Act to a preliminary document shall be construed as a reference to the preliminary base prospectus applicable to every offer under the debenture issuance programme.

Contents of prospectus

8.—(1) For the purposes of section 243(1) of the Act, a prospectus for an offer of shares or units of shares in a corporation, other than an ASEAN Offering of shares referred to in paragraph (2A)(a), shall contain —

- (a) in a case where an application has been or will be made to an an securitiesapproved exchange to list for quotation or quote those shares or units of shares on the securitiesapproved exchange, the particulars set out in the Fifth Schedule; or
- (b) in any other case, the particulars set out in the Sixth Schedule.

[S 271/2009 wef 19/06/2009]

(1A) For the purposes of section 243(1) of the Act, a prospectus for an offer of units or derivatives of units in a business trust shall contain the particulars set out in the Seventeenth Schedule.

(2) For the purposes of section 243(1) of the Act, a prospectus for an offer of debentures or units of debentures of an entity, other than one in relation to a debenture issuance programme or an

ASEAN Offering of Plain Debt Securities referred to in paragraph (2A)(b), shall contain —

- (a) subject to sub-paragraphs (b) and (c), in a case where an application has been or will be made to an securitiesapproved exchange to list for quotation or quote those debentures or units of debentures on the securitiesapproved exchange, the particulars set out in the Seventh Schedule;
- (b) in a case where the debentures or units of debentures are asset-backed securities, the particulars set out in the Eighth Schedule;
- (c) in a case where the debentures or units of debentures are structured notes, the particulars set out in the Ninth Schedule; or
- (d) in any other case, the particulars set out in the Tenth Schedule.

[S 186/2013 wef 02/04/2013]

[S 271/2009 wef 19/06/2009]

(2A) For the purposes of section 243(1) of the Act —

- (a) a prospectus for an ASEAN Offering of shares in a corporation shall contain the particulars set out in the ASEAN Equity Securities Disclosure Standards; and

[S 186/2013 wef 02/04/2013]

[S 271/2009 wef 19/06/2009]

- (b) a prospectus for an ASEAN Offering of Plain Debt Securities shall contain the particulars set out in the ASEAN Debt Securities Disclosure Standards.

[S 186/2013 wef 02/04/2013]

(3) For the purposes of section 240A read with section 243(1) of the Act, a prospectus for every offer of debentures or units of debentures under a debenture issuance programme shall —

- (a) subject to sub-paragraphs (b), (c) and (d), in a case where an application has been or will be made to an an securitiesapproved exchange to list for quotation or quote the debentures or units of debentures on the securitiesapproved exchange, comply with the requirements specified in the Eleventh Schedule;
- (b) in a case where the debentures or units of debentures are asset-backed securities, comply with the requirements specified in the Twelfth Schedule;
- (c) in a case where the debentures or units of debentures are structured notes other than continuously issued structured notes, comply with the requirements specified in the Thirteenth Schedule;
- (d) in a case where the debentures or units of debentures are continuously issued structured notes, comply with the requirements specified in the Fourteenth Schedule; or
- (e) in any other case, comply with the requirements specified in the Fifteenth Schedule.

Incorporation by reference

8A.—(1) For the purposes of section 243(4A) of the Act, the information that may be incorporated in the prospectus by reference to a document lodged with the Authority together with the prospectus (referred to in this regulation as a reference document) must be subject to the following conditions and restrictions:

- (a) the information shall be limited to that set out in the Nineteenth Schedule;
- (b) the prospectus expressly refers to the information and the reference document which contains such information;

- (c) the prospectus identifies the reference document or part of the reference document that contains the information;
- (d) the prospectus contains sufficient details of the reference document (including an explanation as to how the reference document and its contents are relevant to the offer and an investor's investment decision) so as to allow a person to whom the offer is made to decide whether to obtain a copy of the reference document from the person making the offer;
- (e) the prospectus contains a statement that the person making the offer will provide a copy of the reference document free of charge upon request to a person to whom the offer is made, during the relevant period of the prospectus as described under section 250(3) of the Act (referred to in this regulation as the validity period);
- (f) where a request for the reference document has been made by a person to whom the offer is made during the validity period, the person making the offer must provide a copy of the reference document free of charge;
- (g) the prospectus contains a statement that the reference document is available at the Authority's Internet website at <http://www.mas.gov.sg> (under "OPERA"), or at <https://eservices.mas.gov.sg/opera>, during the validity period; and
- (h) any information that is required to be disclosed in a product highlights sheet shall not be incorporated by reference.

Supplementary document and replacement document

9.—(1) The supplementary document or replacement document to be lodged with the Authority under section 241 of the Act shall be signed —

- (a) where the person making the offer is the issuer —
 - (i) in a case where the issuer is not the government of a State, by every director or equivalent person of the issuer and every person who is named therein as a proposed director or an equivalent person of the issuer; or
 - (ii) in a case where the issuer is the government of a State, by an official of that government who is authorised to sign the supplementary document or replacement document on its behalf;
- (b) where the person making the offer is an individual and is not the issuer —
 - (i) in a case where the issuer is not the government of a State —
 - (A) by that person; and
 - (B) if the issuer is controlled by that person, one or more of his related parties, or that person and one or more of his related parties, by every director or equivalent person of the issuer and every person who is named therein as a proposed director or an equivalent person of the issuer; or
 - (ii) in a case where the issuer is the government of a State, by that person;
- (c) where the person making the offer is an entity (not being the government of a State) and is not the issuer —
 - (i) in a case where the issuer is not the government of a State —
 - (A) by every director or equivalent person of that entity; and

- (B) if the issuer is controlled by that entity, one or more of its related parties, or that entity and one or more of its related parties, by every director or equivalent person of the issuer, and every person who is named therein as a proposed director or an equivalent person of the issuer; or
 - (ii) in a case where the issuer is the government of a State, by every director or equivalent person of that entity; and
- (d) where the person making the offer is the government of a State and is not the issuer —
 - (i) in a case where the issuer is not the government of another State —
 - (A) by an official of the government of the State who is authorised to sign the supplementary document or replacement document on its behalf; and
 - (B) if the issuer is controlled by that government, one or more of its related parties, or that government and one or more of its related parties, by every director or every equivalent person of the issuer, and every person who is named therein as a proposed director or an equivalent person of the issuer; or
 - (ii) in a case where the issuer is the government of another State, by an official of the government of the first mentioned State who is authorised to sign the supplementary document or replacement document on its behalf.

(2) A requirement under paragraph (1) for the supplementary document or replacement document to be signed by a director or an equivalent person is satisfied if the supplementary document or replacement document is signed —

- (a) by that director or equivalent person; or
- (b) by a person who is authorised in writing by that director or equivalent person to sign on his behalf.

(3) A requirement under paragraph (1) for the supplementary document or replacement document to be signed by a person named therein as a proposed director or an equivalent person is satisfied if the supplementary document or replacement document is signed —

- (a) by that proposed director or equivalent person; or
- (b) by a person who is authorised in writing by that proposed director or equivalent person to sign on his behalf.

10. *[Deleted by S 470/2012 wef 01/10/2012]*

General requirements for documents lodged with Authority

11.—(1) Except as otherwise provided in the Act or these Regulations, a document to be lodged with the Authority under Division 1 of Part XIII of the Act or these Regulations shall be lodged in electronic form and shall comply with the following requirements:

- (a) the document shall be in portable document format (PDF) or such other format as the Authority may from time to time allow; and

[S 11/2014 wef 13/01/2014]

- (b) the document shall be lodged using the Authority's Internet website at <http://www.mas.gov.sg> (under "OPERA"), or at <https://eservices.mas.gov.sg/opera>~~<https://opera.mas.gov.sg>~~, or by submitting to the Authority such medium which

contains the document, as the Authority may from time to time allow.

[S 11/2014 wef 13/01/2014]

(c) *[Deleted by S 11/2014 wef 13/01/2014]*

(2) When a document is lodged with the Authority in electronic form under paragraph (1), an electronic image of each of the following shall be lodged with or submitted to the Authority together with the document:

- (a) every signature on or accompanying the document;
- (b) any duly signed form which is part of or which accompanies the document;
- (c) any duly signed statement or letter required under the Act or these Regulations to be lodged or submitted together with the document.

(3) An electronic image to be lodged with or submitted to the Authority under paragraph (2) shall comply with the following requirements:

- (a) the electronic image shall be in portable document format (PDF) or such other format as the Authority may from time to time allow; and

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- (b) the electronic image shall be lodged or submitted by using the Authority's Internet website at <http://www.mas.gov.sg> (under "OPERA"), or at <https://eservices.mas.gov.sg/opera> ~~<https://opera.mas.gov.sg>~~, or by submitting to the Authority such medium which contains the electronic image, as the Authority may from time to time allow.

[S 11/2014 wef 13/01/2014]

(c) *[Deleted by S 11/2014 wef 13/01/2014]*

(4) *[Deleted by S 11/2014 wef 13/01/2014]*

(5) The fee payable to the Authority in respect of the lodgment of a document with the Authority shall be paid at the time the document is lodged.

Form or medium of document

12.—(1) A person who lodges any of the following documents under regulation 11(1) shall also provide a copy of that document in paper form to the Authority, if the Authority so requests:

- (a) a prospectus, including any document deemed to be a prospectus under section 257 of the Act;
- (b) a profile statement;
- (c) a base prospectus;
- (d) a base profile statement;
- (e) a pricing statement;
- (f) a supplementary document;
- (g) a replacement document;
- (h) an offer information statement under section 277 of the Act.

[S 470/2012 wef 01/10/2012] [S 11/2014 wef 13/01/2014]

(2) A copy of any document in paper form required under paragraph (1) —

- (a) shall comply with the following requirements:
 - (i) the copy of the document shall be on paper that is 297 millimetres in length and 210 millimetres in breadth (A4 paper size); and
 - (ii) the contents of the copy of the document shall be legible; and
- (b) shall be accompanied by a true and complete electronic image of a signed statement of —

- (i) in a case where the person making the offer is an individual —
 - (A) the person making the offer;
 - (B) a person authorised in writing by him; or
 - (C) an advocate and solicitor acting on his behalf;
- (ii) in a case where the person making the offer is an entity —
 - (A) a director or an equivalent person of the entity;
 - (B) a person authorised in writing by a director or an equivalent person of the entity; or
 - (C) an advocate and solicitor acting on behalf of the entity; or
- (iii) in a case where the person making the offer is the government of a State —
 - (A) an official of the government of the State who is authorised to sign the statement on its behalf; or
 - (B) an advocate and solicitor acting on behalf of the government of the State,

verifying that the copy of the document in paper form is a true copy of the document lodged with the Authority under regulation 11(1).

(3) The electronic image of the signed statement under paragraph (2)(b) shall comply with the requirements of regulation 11(3).

Authorisation to be submitted

13.—(1) Where any document lodged with the Authority under Division 1 of Part XIII of the Act or any statement referred to in regulation 12(2)(b) is signed —

- (a) in a case where the person making the offer is an individual, by a person authorised in writing by the individual;
- (b) in a case where the person making the offer is an entity, by a person authorised in writing by a director or an equivalent person, or a proposed director or an equivalent person, of the entity; or
- (c) in a case where the person making the offer is the government of a State, by an official of the government of the State who is authorised to sign the document or statement, as the case may be, on its behalf,

a true and complete electronic image of the authorisation shall be submitted to the Authority, together with the document lodged with the Authority or statement, as the case may be.

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(2) The electronic image of the authorisation under paragraph (1) shall comply with the requirements of regulation 11(3).

Making false statement an offence

14. Any person who makes a statement verifying any matter under this Part which he knows or has reason to believe is false or does not believe to be true shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000.

Report about securities or securities-based derivatives contracts published and delivered to institutional investors

15. The report referred to in section 251(9)(g) of the Act is a report about the securities or securities-based derivatives contracts which are the subject of the offer or intended offer, published and delivered to any institutional investor not later than 14 days prior to the date of lodgment of the prospectus, provided that the person issuing the report —

- (a) shall assign a specific number to each copy of the report;

- (b) shall keep a record of each person to whom he has distributed a copy of the report and the number referred to in paragraph (a) of the copy distributed to that person;
- (c) shall include on the front cover of each copy of the report

—

- (i) the number referred to in paragraph (a) which is assigned to that copy of the report;
- (ii) a prominent statement that the report is distributed to institutional investors only;
- (iii) a prominent statement that the information contained in the report should not be disclosed by the recipient of the report to any other person;
- (iv) a prominent disclosure on the nature of any material interest in, or any material interest in the issue or sale of, the securities or securities-based derivatives contracts that are the subject of the report that he has as at the date of the report; and
- (v) a prominent disclosure on any relationship between him and the person making the offer of the securities or securities-based derivatives contracts which is material in the context of the offer;

(d) shall not —

- (i) distribute any copy of the report; or
- (ii) disclose any information contained in the report (other than information that is publicly available prior to the date of the report),

to any person other than an institutional investor; and

- (e) shall take all other reasonable steps as are necessary to prevent the leakage of information contained in the report (other than information that is publicly available prior to the date of the report) to any person who is not an institutional investor, including any person who, in the

ordinary course of business, publishes a newspaper, periodical or magazine, or broadcasts by radio, television or other means of broadcasting or communication.

[S 470/2012 wef 01/10/2012]

Advertisements shall not be false or misleading

16.—(1) An advertisement or a publication referred to in section 251(8) of the Act shall not contain any information —

(a) that is false or misleading; or

(b) that cannot be justified on the facts known to the person responsible for the advertisement or publication,

at the time the advertisement or publication is published.

(2) No person shall cause to be published any advertisement or publication referred to in section 251(8) of the Act which does not comply with paragraph (1).

(3) Any person who contravenes paragraph (2), or who knowingly authorises or permits the publication or dissemination of any advertisement which does not comply with paragraph (1), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

Legibility and audibility of advertisements

17.—(1) Where an advertisement or publication referred to in section 251(8) of the Act is in visual form, the statements referred to in section 251(8)(a) and (b) of the Act contained in the advertisement or publication shall be clearly legible.

(2) Where an advertisement or publication referred to in section 251(8) of the Act is broadcast by means of any radio, television or audio-visual broadcasting service, or shown in any cinema, the

statements referred to in section 251(8)(a) and (b) of the Act shall —

(a) if the advertisement or publication is in audio or audio-visual form, be read audibly; or

(b) if the advertisement or publication is only in visual form, be visually displayed for at least 5 seconds.

(3) No person shall cause to be published any advertisement or publication referred to in section 251(8) of the Act which does not comply with either or both of paragraphs (1) and (2).

(4) Any person who contravenes paragraph (3), or who knowingly authorises or permits the publication or dissemination of any advertisement or publication which does not comply with either or both of paragraphs (1) and (2), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

PART III

DEBENTURES

Application of this Part

18. Except as otherwise provided by the Act or where any provision to the contrary is made in covenants —

(a) applicable to the relevant debentures; or

(b) contained in the trust deed relating to those debentures or in a contract between a trustee and the holders of the debentures secured by the trust deed,

the provisions of this Part shall apply to and in relation to meetings of debenture holders summoned under —

- (i) a covenant contained in the debentures or trust deed; or
- (ii) a provision referred to in section 271(2)(b) of the Act.

Quorum of debenture holders

19.—(1) A meeting of debenture holders shall not transact any business unless there are present at least 2 debenture holders.

(2) If within half an hour after the time appointed for the meeting a quorum of debenture holders is not present, the meeting shall stand adjourned to such other day (not being less than 7 or more than 21 days from the day on which the meeting is adjourned) and at such other time and place as the chairman of the meeting may appoint.

Adjournment of meeting

20. The chairman of a meeting of debenture holders shall, if so directed by the meeting, or may, with the consent of the meeting, adjourn the meeting from time to time and from place to place.

Passing of resolution

21. A resolution shall be passed at a meeting of debenture holders when a majority in number and value of the debenture holders present have voted in favour of the resolution.

Casting of vote

22. In the case of an equality of votes, the chairman of a meeting of debenture holders shall have a casting vote.

Record of meeting

23. The chairman of a meeting of debenture holders shall cause —

- (a) the minutes of the proceedings at the meeting to be entered in a book kept for the purpose and approve and sign the minutes; and

- (b) a list of the names of the debenture holders present at the meeting to be made and kept.

PART IV EXEMPTIONS

Exemption from section 240 of Act for offer made pursuant to bonus warrant

24.—(1) Section 240 of the Act shall not apply to a person who makes an offer of securities or securities-based derivatives contracts of an entity or business trust (as the case may be), the shares or units of which are listed for quotation on an securitiesapproved exchange, pursuant to a specified bonus warrant.

(2) In paragraph (1), “specified bonus warrant” means a right given, for no consideration, by an entity or the trustee-manager of a business trust (acting in its capacity as trustee-manager of the business trust) to an existing member of the entity or unitholder of the business trust (as the case may be) to buy a specified number of securities or securities-based derivatives contracts of the entity or business trust (as the case may be) at a given price not earlier than 6 months from the date of listing of the right for quotation on an securitiesapproved exchange.

Exemption from section 240A(1)(b), (2)(b), (3), (4), (6), (7) and (9) of Act for offer of continuously issued structured notes

25.—(1) Section 240A(1)(b), (2)(b), (3), (4), (6), (7) and (9) of the Act shall not apply to an offer of continuously issued structured notes that is part of a debenture issuance programme if the conditions referred to in paragraph (2) are satisfied.

(2) The conditions referred to in paragraph (1) are that —

- (a) the person making the offer shall give to each person to whom the offer is made a transaction note in respect of the offer prior to the subscription or purchase of the continuously issued structured notes;
- (b) the transaction note, together with the base prospectus and any supplementary base prospectus applicable to every offer under the debenture issuance programme, shall collectively contain the material terms and conditions of the offer;
- (c) the person making the offer shall give to each person who subscribed for or purchased the continuously issued structured notes a confirmation statement within 3 business days from the date of the subscription or purchase of those continuously issued structured notes;
- (d) the transaction note shall contain the following statements:
 - (i) “This offer is made on the basis of information contained in this transaction note and in the base prospectus and supplementary base prospectus or prospectuses, if any.”;
 - (ii) “This transaction note has not been lodged with or registered by the Monetary Authority of Singapore under Division 1 of Part XIII of the Securities and Futures Act (Cap. 289).”; and
 - (iii) “Investors are advised to read the base prospectus and supplementary base prospectus or prospectuses, if any, relating to the offer prior to accepting the terms set out in this transaction note.”; and
- (e) the transaction note and the confirmation statement —
 - (i) shall contain all information referred to in paragraph 1(b) of the Fourteenth Schedule which is applicable

to the continuously issued structured notes being offered and which has been omitted from the base prospectus; and

- (ii) shall not contain any information other than —
 - (A) information already contained in the base prospectus or supplementary base prospectus or prospectuses, if any;
 - (B) information on additional risk factors and investment considerations that are specific and relevant to the offer, and which had materially affected, or could materially affect, directly or indirectly, the value of the pool of reference assets or the investments held by holders of the continuously issued structured notes; and
 - (C) other information permitted by the Authority.

Exemption from requirement for expert's consent under section 249(1) of Act

26.—(1) Section 249(1) of the Act shall not apply to a prospectus or profile statement which includes a relevant statement if —

- (a) the prospectus or profile statement relates to an offer of securities or securities-based derivatives contracts of an entity or the business trust; and
- (b) the conditions referred to in paragraph (34) are satisfied.

(2) Section 277 (3) read with section 249(1) of the Act shall not apply to an offer information statement under section 277(1) or section 277(1AC) of the Act which includes a relevant statement if —

- (a) the offer information statement relates to an offer of securities or securities-based derivatives contracts of an entity or a business trust; and
- (b) the conditions referred to in paragraph (34) are satisfied.

~~(3) [Deleted by S 470/2012 wef 01/10/2012]~~

~~(4)~~(3) The conditions referred to in paragraphs (1) and (2) are that — (a) the relevant statement —

- (i) is not made by the expert in connection with the offer concerned;
 - (ii) is not made by the expert for the sole benefit of the entity or the business trust concerned; and
 - (iii) does not relate specifically to the affairs of the entity or the business trust concerned;
- (b) the expert is a person whom the persons signing the prospectus or profile statement referred to in paragraph (1) or the offer information statement referred to in paragraph (2), as the case may be, reasonably believe to be an expert who —
 - (i) has no material interest in the success of the issue or sale of the securities or securities-based derivatives contracts; and
 - (ii) is not acting at the instigation of, or by arrangement with, the entity or the trustee-manager of the business trust concerned (acting in its capacity as trustee-manager of the business trust concerned), a director or an equivalent person of the entity of the trustee-manager of the business trust concerned, a proposed director or an equivalent person of the entity or the trustee-manager of the business trust concerned, or a person who has a material interest

in the success of the issue or sale of the securities
or securities-based derivatives contracts;

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- (c) the relevant statement is a correct and fair copy or a representation of, or an extract from, a statement made or information published by a source which the persons signing the prospectus or profile statement referred to in paragraph (1) or the offer information statement referred to in paragraph (2), as the case may be, reasonably believe to be reliable; and

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- (d) wherever the relevant statement appears in the prospectus or profile statement referred to in paragraph (1) or the offer information statement referred to in paragraph (2), there shall be included in the prospectus, profile statement or offer information statement, as the case may be —
 - (i) a statement that the expert has not consented to the inclusion of the relevant statement for the purposes of section 249 of the Act and is thereby not liable for the relevant statement under sections 253 and 254 of the Act;
 - (ii) any disclaimer made by the expert in relation to reliance on the contents of the relevant statement which the persons signing the prospectus, profile statement or offer information statement, as the case may be, are reasonably aware;
 - (iii) a statement as to whether the persons signing the prospectus, profile statement or offer information statement, as the case may be, have verified the accuracy of the contents of the relevant statement;
 - (iv) a statement as to whether the persons signing the prospectus, profile statement or offer information statement, as the case may be, have included the

relevant statement in its proper form and context in the prospectus, profile statement or offer information statement, as the case may be; and

- (v) a proper citation identifying the source of, and the location within the source of, the relevant statement, including, where available, the following details of the source:

- (A) each author or editor;
- (B) the title;
- (C) the publication date and every revision date; and
- (D) where the source is published on an Internet website, the uniform resource locator (URL) and version date.

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~~(5)~~(4) In this regulation, “relevant statement” means a statement purporting to be made by, or to be based on a statement made by, an expert.

Exemption from aggregation requirement in sections 272A(5)(a) and 272B(3)(a) of Act for structured notes

27.—(1) Section 272A(5)(a) of the Act shall not apply to a person making an offer of securities or securities-based derivatives contracts issued by the person in reliance on the exemption under section 272A(1) of the Act if the conditions referred to in paragraph (3) are satisfied.

(2) Section 272B(3)(a) of the Act shall not apply to a person making an offer of securities or securities-based derivatives contracts issued by the person in reliance on the exemption under section 272B(1) of the Act if the conditions referred to in paragraph (3) are satisfied.

(3) The conditions referred to in paragraphs (1) and (2) are that

- (a) the person making the offer is a specified financial institution; and
- (b) the offer of securities or securities-based derivatives contracts is not a closely related offer (as determined in accordance with regulation 28) in relation to other offers of securities or securities-based derivatives contracts issued by the person within the period of 12 months.

Determination of closely related offer for small offer and private placement

28.—(1) For the purposes of sections 272A(5) and 272B(3) of the Act and regulation 27, an offer of securities or securities-based derivatives contracts (other than asset-backed securities or structured notes) is a closely related offer in relation to —

- (a) another offer of securities or securities-based derivatives contracts (other than asset-backed securities or structured notes);
- ~~(b) an offer of units or derivatives of units in a business trust;~~
or
- (b) an offer of units in a collective investment scheme that is a trust and that invests primarily in real estate and real estate related assets specified by the Authority in the Code on Collective Investment Schemes,

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if —

- (i) both offers form part of a single plan of financing;
- (ii) both offers are made for the primary benefit of the same person or persons; or
- (iii) both offers are made in connection with the same business or in relation to a common business venture.

(2) For the purposes of sections 272A(5) and 272B(3) of the Act and regulation 27, an offer of asset-backed securities or structured notes is a closely related offer in relation to —

- (a) another offer of asset-backed securities or structured notes; or
- (b) an offer of units in a collective investment scheme other than a collective investment scheme that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes,

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if any person who makes or is a sponsor of the first-mentioned offer also —

- (i) makes or is a sponsor of the second-mentioned offer; or
- (ii) is a related corporation or related entity of the person who makes or is a sponsor of the second-mentioned offer.

(3) In considering whether both offers meet any requirement under sub-paragraph (i), (ii) or (iii) of paragraph (1), regard shall be had to —

- (a) the intended usage of the net proceeds raised from each offer; and
- (b) the person or persons with the right to determine how the net proceeds raised from each offer are to be used.

(4) In this regulation —

“related corporation” and “related entity” have the same meaning as in the Fourth Schedule;

“sponsor” —

- (a) in relation to an offer of asset-backed securities, means the entity that initiates the securitisation transaction (in respect of which the asset-backed securities are

issued) by originating or acquiring and packaging, either directly or indirectly, a group of assets for resale as asset-backed securities; and

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(b) in relation to an offer of structured notes, means the entity that initiates the synthetic securitisation transaction (in respect of which the structured notes are issued) by originating and packaging, either directly or indirectly, exposure to a group of reference assets for sale in the form of structured notes.

[S 470/2012 wef 01/10/2012]

Exemption from section 272A(8)(c)(iii) of Act

29.—(1) Section 272A(8)(c)(iii) of the Act shall not apply to an offer of securities or securities-based derivatives contracts by any person to a market-maker, being an offer that satisfies section 272A(8)(c)(i), (ii), (iv) and (v) of the Act, if the market-maker had, prior to the making of the offer by the person, indicated to the person that the market-maker did not require the statement in writing under section 272A(8)(c)(iii)(A) of the Act and the notification in writing under section 272A(8)(c)(iii)(B) of the Act to be given for any sale of those securities or securities-based derivatives contracts to the market-maker.

(2) In this regulation, “market-maker” means a holder of a capital markets services licence to deal in capital markets products that are securities or securities-based derivatives contracts~~securities~~, or an exempt person in respect of dealing in capital markets products that are securities or securities-based derivatives contracts~~securities~~, who —

(a) through a facility (including an electronic means) regularly quotes the prices at which it proposes to acquire or dispose of securities or securities-based derivatives contracts for its own account; and

- (b) is ready, willing and able to effect transactions in the securities or securities-based derivatives contracts at the quoted prices.

Disclosure requirement under section 273(1)(g)(iii)(B) of Act

29A.— For the purposes of section 273(1)(g)(iii)(B) of the Act, the disclosure requirements are –

- (a) for the period from [date of commencement of these Regulations] to [two years from the date of commencement of these Regulations], the material risks of the securities-based derivative contracts being offered; and
(b) for the period after [two years after date of commencement of these Regulations], the disclosure requirements as set out in [regulation [47(DE)] of the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg. 1), 2004 Ed.]].

Contents of offer information statement under section 277 of Act

30.—(1) An offer information statement under section 277(1) of the Act ~~shall~~ must contain –

- (a) in relation to an offer of securities or securities-based derivatives contracts that are not units or derivatives of units in a business trust, the particulars set out in the Sixteenth Schedule; and
(b) in relation to an offer of units or derivatives of units in a business trust, the particulars set out in the Eighteenth Schedule.

[S 470/2012 wef 01/10/2012]

(1A) For the purposes of section 277(1AC)(a)(i) of the Act, the particulars set out in the Sixteenth Schedule in relation to an offer

information statement for an offer of securities issued by a subsidiary shall apply to both the subsidiary and the listed entity as defined in section 277(1AB) of the Act.

(2) The Authority may require any document, report or other material to be filed together with an offer information statement.

(3) For the purposes of section 277(1) of the Act, the securities or securities-based derivatives contracts prescribed are structured notes issued by a specified financial institution.

(4) An offer information statement to be lodged with the Authority under section 277(1) of the Act shall be signed —

(a) where the person making the offer is the issuer —

(i) in a case where the issuer is not the government of a State, by every director or equivalent person of the issuer and every person who is named therein as a proposed director or an equivalent person of the issuer; or

(ii) in a case where the issuer is the government of a State, by an official of that government who is authorised to sign the offer information statement on its behalf;

(b) where the person making the offer is an individual and is not the issuer —

(i) in a case where the issuer is not the government of a State —

(A) by that person; and

(B) if the issuer is controlled by that person, one or more of his related parties, or that person and one or more of his related parties, by every director or equivalent person of the issuer and every person who is named therein

- as a proposed director or an equivalent person of the issuer; or
 - (ii) in a case where the issuer is the government of a State, by that person;
- (c) where the person making the offer is an entity (not being the government of a State) and is not the issuer —
- (i) in a case where the issuer is not the government of a State —
 - (A) by every director or equivalent person of that entity; and
 - (B) if the issuer is controlled by that entity, one or more of its related parties, or that entity and one or more of its related parties, by every director or equivalent person of the issuer, and every person who is named therein as a proposed director or an equivalent person of the issuer; or
 - (ii) in a case where the issuer is the government of a State, by every director or equivalent person of that entity; and
- (d) where the person making the offer is the government of a State and is not the issuer —
- (i) in a case where the issuer is not the government of another State —
 - (A) by an official of the government of the State who is authorised to sign the offer information statement on its behalf; and
 - (B) if the issuer is controlled by that government, one or more of its related parties, or that government and one or more of its related parties, by every director or equivalent person

of the issuer, and every person who is named therein as a proposed director or an equivalent person of the issuer; or

- (ii) in a case where the issuer is the government of another State, by an official of the government of the first mentioned State who is authorised to sign the offer information statement on its behalf.

[S 470/2012 wef 01/10/2012]

(5) A requirement under paragraph (4) for the offer information statement to be signed by a director or an equivalent person is satisfied if the offer information statement is signed —

- (a) by that director or equivalent person; or

- (b) by a person who is authorised in writing by that director or equivalent person to sign on his behalf.

(6) A requirement under paragraph (4) for the offer information statement to be signed by a person named therein as a proposed director or an equivalent person is satisfied if the offer information statement is signed —

- (a) by that proposed director or equivalent person; or

- (b) by a person who is authorised in writing by that proposed director or equivalent person to sign on his behalf.

31. [Deleted by S 470/2012 wef 01/10/2012]

~~Exemption from section 276(1), (3) and (4) of Act~~

~~32.—— Section 276(1), (3) and (4) of the Act shall not apply where the securities of the corporation acquired are of the same class as other securities of the corporation —~~

- ~~(a) in respect of which —~~

- ~~(i) an offer has previously been made in; or~~

~~(ii) the listing for quotation has previously been accompanied by,~~

~~an offer information statement, an introductory document, a shareholders' circular for a reverse takeover, a document issued for the purposes of a scheme of arrangement or other similar document approved by a securities exchange; and~~

~~(b) which are listed for quotation on a securities exchange.~~

[S 470/2012 wef 01/10/2012]

PART V

EXTRA-TERRITORIAL APPLICATION OF DIVISION 1 OF PART XIII OF ACT

Non-applicability of section 339(2) of Act under certain circumstances

33.—(1) Section 339(2) of the Act does not apply to an offer of securities or securities-based derivatives contracts made outside Singapore if —

- (a) the number of enquiries or applications from persons in Singapore in response to such offer is insubstantial;
- (b) the number of persons in Singapore to whom the offer is made is insubstantial;
- (c) the number of persons in Singapore to whom the securities or securities-based derivatives contracts which are the subject of the offer are issued is insubstantial; and
- (d) the amount raised from persons in Singapore pursuant to the offer is insubstantial.

(2) Notwithstanding that an offer referred to in paragraph (1) does not satisfy the conditions in that paragraph, section 339(2) of the Act does not apply to that offer if —

- (a) the offer is not denominated in Singapore dollars;

- (b) there are in place proper systems or procedures to prevent persons in Singapore from subscribing for or purchasing the securities or securities-based derivatives contracts, and adequate checks to ensure that these systems or procedures are effective;
 - (c) the offer is not made to or directed at persons in Singapore, whether electronically or otherwise;
 - (d) there is in place a prominent disclaimer in relation to the offer comprising a statement referred to in paragraph (3);
 - (e) the materials used for the offer do not contain any information which is specifically relevant to persons in Singapore; and
 - (f) the offer is not referred to in, or directly accessible from, any source which is intended for persons in Singapore.
- (3) For the purposes of paragraph (2)(d), the disclaimer must comprise a statement to the effect that the offer to which it relates —
- (a) is made to or directed at only persons outside Singapore; and
 - (b) may be acted upon only by persons outside Singapore.
- (4) In this regulation, “offer” includes an advertisement of such an offer.

PART VI

REVOCATION, TRANSITIONAL AND SAVINGS

Revocation

34. The Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 (~~Rg 1, 2004 Ed.~~) and the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 are revoked.

Prospectus, etc., lodged in compliance with Regulations in force immediately before date of commencement of these Regulations

35.—(1) Notwithstanding anything in these Regulations ~~but subject to paragraph (2) —~~

(a) any prospectus or offer information statement which is or was lodged with the Authority —

(i) before the date of commencement of these Regulations; or

(ii) at any time within the period of 2 months beginning on that date; or

(b) any amendment to a prospectus referred to in sub-paragraph (a) which is or was lodged with the Authority, whether before, on or after the date of commencement of these Regulations,

(A) which contains the particulars set out in the Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, ~~or~~ Eleventh, Twelfth, Thirteenth, Fourteenth, Fifteenth or Sixteenth Schedule to the old Shares and Debentures Regulations shall be treated as if it contains the particulars set out in the Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth, Fourteenth, Fifteenth or Sixteenth Schedule, respectively, to these Regulations; and

(A)(B) which contains the particulars set out in the Fourth or Fifth Schedule to the old Business Trusts Regulations shall be treated as if it contains the particulars set out in the Seventeenth or Eighteenth Schedule, respectively, to these Regulations.

~~(2) Notwithstanding anything in these Regulations —~~

~~(a) a relevant document which contains the particulars set out in paragraphs 1, 2, 3 and 3A of Part IV of the Fifth Schedule to the old Regulations shall be treated as if it~~

~~contains the particulars set out in paragraph 1 of Part IV of the Fifth Schedule to these Regulations;~~

- ~~(b) a relevant document which contains the particulars set out in Part IX of the Fifth Schedule to the old Regulations shall be treated as if it contains the particulars set out in Part IX of the Fifth Schedule to these Regulations;~~
- ~~(c) a relevant document which contains the particulars set out in the Fifth Schedule to the old Regulations as they apply to a pro forma group shall be treated as if it contains the particulars set out in the Fifth Schedule (other than paragraph 2 of Part III and paragraphs 9 and 10 of Part X) to these Regulations as they apply to a group;~~
- ~~(d) a relevant document which contains the particulars set out in Part IX of the Sixth Schedule to the old Regulations shall be treated as if it contains the particulars set out in Part IX of the Sixth Schedule to these Regulations;~~
- ~~(e) a relevant document which contains the particulars set out in the Sixth Schedule to the old Regulations as they apply to a pro forma group shall be treated as if it contains the particulars set out in the Sixth Schedule (other than paragraph 2 of Part III and paragraphs 9 and 10 of Part X) to these Regulations as they apply to a group;~~
- ~~(f) a relevant document which contains the particulars set out in Part VIII of the Seventh Schedule to the old Regulations shall be treated as if it contains the particulars set out in Part VIII of the Seventh Schedule to these Regulations;~~
- ~~(g) a relevant document which contains the particulars set out in the Seventh Schedule to the old Regulations as they apply to a pro forma group shall be treated as if it contains the particulars set out in the Seventh Schedule (other than~~

~~paragraph 2 of Part III and paragraph 6 of Part IX) to these Regulations as they apply to a group;~~

- ~~(h) a relevant document which contains the particulars set out in Part IX of the Eighth Schedule to the old Regulations shall be treated as if it contains the particulars set out in Part VIII of the Tenth Schedule to these Regulations; and~~
- ~~(i) a relevant document which contains the particulars set out in the Eighth Schedule to the old Regulations as they apply to a pro forma group shall be treated as if it contains the particulars set out in the Tenth Schedule (other than paragraph 2 of Part III and paragraph 6 of Part IX) to these Regulations as they apply to a group.~~

~~(3)(2)~~ In this regulation —

“group” has the same meaning as in paragraph 1 of the Fourth Schedule;

“old Business Trusts Regulations” means the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 in force immediately before the date of commencement of these Regulations;

“old Shares and Debentures Regulations” means the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations ~~(Reg 1, 2004 Ed.)~~2005 in force immediately before the date of commencement of these Regulations;

“prospectus” includes a supplementary prospectus or replacement prospectus lodged with the Authority in respect of a prospectus at any time after the registration of the prospectus by the Authority;

~~“relevant document” means —~~

- ~~(a) any prospectus which is or was lodged with the Authority —~~

- ~~(i) before the date of commencement of these Regulations; or~~
- ~~(ii) at any time within the period of 6 months beginning on that date; or~~
- ~~(b) any amendment to a prospectus referred to in paragraph (a) which is or was lodged with the Authority, whether before, on or after the date of commencement of these Regulations.~~

FIRST SCHEDULE

Regulation 5

FEES

<i>No.</i>	<i>Provision of Act or Regulations</i>	<i>Matter</i>	<i>Amount</i>
1.	Sections 239(4) and 261(1B)(b)	For application to the Authority for declaration as a prescribed entity	\$1,200
2.	Section 240(1)(a)	For lodgment of any prospectus (other than a prospectus in respect of a debenture issuance programme)	\$2,000
3.	Section 240(4)(b)	For lodgment of any profile statement	\$600
4.	Section 240(9A)	For lodgment of any amendment to — (a) a prospectus (other than a prospectus in respect of a debenture issuance programme); or (b) a profile statement (other than a profile statement in respect of a debenture issuance programme)	\$1,000 \$600
5.	Section 240(9A)	For lodgment of any amendment to — (a) a prospectus in respect of a debenture issuance programme; or (b)	\$1,000 \$450

		a profile statement in respect of a debenture issuance programme	
6.	Section 240A(1)	In respect of a debenture issuance programme —	
		(a) for lodgment of any base prospectus	\$1,700
		(b) for lodgment of any pricing statement	\$300
7.	Section 241(1)	For lodgment of any supplementary or replacement prospectus (other than a supplementary or replacement prospectus in respect of a debenture issuance programme)	\$2,000
8.	Section 241(1) and (1A)	For lodgment of any supplementary or replacement prospectus in respect of a debenture issuance programme	\$1,700
9.	Section 241(1)	For lodgment of any supplementary or replacement profile statement (other than a supplementary or replacement profile statement in respect of a debenture issuance programme)	\$600
10.	Section 241(1) and (1A)	For lodgment of any supplementary or replacement profile statement in respect of a debenture issuance programme	\$450
11.	Section 247(1)	For every application to the Authority for an exemption	\$50

		from requirements as to form and contents of a prospectus or profile statement	
12.	Section 249(3)	For every application to the Authority for an exemption from section 249 of the Act	\$100
13.	Section 251(14)	For every application to the Authority for an exemption from section 251 of the Act	\$100
14.	Section 259(3)	For every application to the Authority for an exemption from section 259 of the Act	\$25
15.	Section 262(2)	For every application to the Authority for an exemption from section 262 of the Act	\$100
16.	Section 273(5)	For every application to the Authority for a declaration that Subdivisions (2) and (3) of Division 1 of Part XIII of the Act shall not apply	\$100
17.	Section 277(1)(b) <u>and (1AC)</u>	For lodgment of any offer information statement	\$420
18.	Section 277 (2)	For every application to the Authority for a modification of the form and content of the offer information statement	\$50
19.	—	For any other application to the Authority	\$30
20.	—	On the late lodgment of any document under the Act after the period prescribed by law, in addition to any other fee	\$100
21.	—	On the lodgment of any other document with the	\$10

Authority, where the fee is not specified in this Schedule

22.	Section 317	For supplying a photographic or microprint copy of, or extract from, any record kept by the Authority	\$1 for each page or part thereof
23.	Section 317	For supplying and certifying a photographic or microprint copy of, or extract from, any record kept by the Authority	\$2 for each page or part thereof

The fees specified in items 22 and 23 are inclusive of the goods and services tax chargeable under the Goods and Services Tax Act (Cap. 117A). No goods and services tax is chargeable for the other items.

[S 890/2014 wef 02/01/2015]
[S 470/2012 wef 01/10/2012]

SECOND SCHEDULE

Regulation 6

INFORMATION THAT MAY BE OMITTED FROM A PRELIMINARY DOCUMENT

1. The statement on the front cover required under paragraph 1 (b) (ii) of Part I of the Fifth to Tenth Schedules and Seventeenth Schedule, if and only if the front cover of the preliminary document includes the following statements:

“A copy of this preliminary document has been lodged with the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the preliminary document. Lodgment of the preliminary document with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with.”.

2. In a case where the entity in respect of which the securities or securities-based derivatives contracts (other than units or derivatives of units in a business trust) are to be offered is a company and the preliminary document contains a statement to the effect that the company has been converted to a public company even though it has not been so converted as at the date of lodgment of the preliminary document, the date of such conversion, if and only if the preliminary document contains a further statement that the relevant entity has not yet been converted to a public company as at the date of lodgment of the preliminary document and shall be converted to a public company before the registration of the prospectus.

2A. In a case where the preliminary document contains a statement to the effect that the business trust has been registered as a business trust by the Authority under section 4(1) of the Business Trusts Act (Cap. 31A, 2005 Ed.) even though it has not been so registered as at the date of lodgment of the preliminary document, the date of such registration, if and only if the preliminary document contains a further statement that the relevant business trust has not yet been registered as at the date of lodgment of the preliminary document and shall be registered before the registration of the prospectus.

3. In a case where the preliminary document contains a statement to the effect that a restructuring exercise has been carried out in connection with the offer even though the restructuring exercise has not been completed as at the date of lodgment of the preliminary document, the relevant date or dates on which the restructuring exercise is undertaken, if and only if the preliminary document includes a further statement that the restructuring exercise has not yet

been carried out as at the date of the lodgment of the preliminary document and shall be completed before the registration of the prospectus.

4. For the purposes of paragraph 3, “restructuring exercise” includes any restructuring exercise carried out by means of any of the following:

(a) the conversion or exchange of convertible or exchangeable securities or securities-based derivatives contracts; or

(b) the exercise of any option for the subscription, purchase or sale of securities or securities-based derivatives contracts.

- (1) Explanatory Note: Paragraph 4 is proposed to clarify that “restructuring exercise” would include the conversion and exercise of any convertible or exchangeable securities or securities-based derivatives contracts, undertaken to effect the group restructuring.

45. In a case where information required to be provided as of the latest practicable date (having the same meaning as defined in the Fourth Schedule) pursuant to the applicable provisions in the Fifth to Tenth Schedules and the Seventeenth Schedule cannot be provided as of a date which is no earlier than 14 days from the date of lodgment of the preliminary prospectus, the information required to be provided as of the latest practicable date in the context of the applicable requirements, if and only if the preliminary prospectus includes the required information as of a date which is no earlier than one month from the date of lodgment of the preliminary prospectus and a statement that the information will be updated to a date which is no earlier than 14 days from the date of lodgment of the preliminary prospectus before registration of the prospectus by the Authority.

56. The price at which the securities or securities-based derivatives contracts will be offered.

67. The number or nominal amount of securities or securities-based derivatives contracts to be offered, or the amount of subscription for securities or securities-based derivatives contracts to be sought.

78. The date of registration of the prospectus, if and only if the front cover of the preliminary document includes the date of lodgment of the preliminary document.

89. The time period during which the offer will be kept open.

910. The dates on which the securities or securities-based derivatives contracts will be listed for quotation or quoted on an securitiesapproved exchange or overseas ~~securities~~ exchange and on which trading will commence.

~~40~~11. Any information which is dependent on the final determination of items 65 to 109.

~~44~~12. Any other information as may be approved by the Authority in any particular case.

THIRD SCHEDULE

Regulation 7(1)

APPLICATION OF SUBDIVISION (2) OF DIVISION 1 OF PART XIII OF ACT TO OFFER OF DEBENTURES OR UNITS OF DEBENTURES (OTHER THAN CONTINUOUSLY ISSUED STRUCTURED NOTES) THAT IS PART OF DEBENTURE ISSUANCE PROGRAMME

PART I

Regulation 7(1)(a)

CONSTRUCTION OF REFERENCE TO PROSPECTUS

1. A reference to a prospectus in a provision of the Act specified in the first column shall be construed as a reference to the document or documents specified in the second column.

2. Where more than one document is specified in the second column, any requirement under a provision of the Act specified in the first column which is applicable to a prospectus shall be applicable to each document specified in the second column.

<i>First column Provision of Act</i>	<i>Second column Document or documents</i>
Section 240 (1)	Base prospectus and pricing statement.
Section 240 (2) and (3)	(a) Base prospectus, where the preliminary document is a preliminary base prospectus; or (b) Base prospectus and pricing statement, where the preliminary document comprises — (i) the preliminary base prospectus and preliminary pricing statement; or (ii) the base prospectus and preliminary pricing statement.
Section 240 (4)	Base prospectus and pricing statement.
Section 240 (4A), (4B) and (4C)	Base prospectus, pricing statement or base prospectus and pricing statement.

Section 240 (8) and (8A)	Base prospectus.
Section 240 (9)	(a) Base prospectus, where the preliminary document is a preliminary base prospectus; or (b) Base prospectus and pricing statement, where the preliminary document comprises — (i) the preliminary base prospectus and preliminary pricing statement; or (ii) the base prospectus and preliminary pricing statement.
Section 240 (9A)	Base prospectus, pricing statement or base prospectus and pricing statement.
Section 240 (10) and (11)	Base prospectus.
Section 240 (11A), (12), (13), (15) and (16)	Base prospectus, pricing statement or base prospectus and pricing statement.
Section 240 (17) (a) and (i)	Base prospectus, pricing statement or base prospectus and pricing statement.
Section 240 (17) (b)	Base prospectus and pricing statement.
Section 241 (8) and (12)	Base prospectus and pricing statement.
Section 242 (3), (5), (7) and (8)	Base prospectus and pricing statement.
Section 243 (1) and (2)	Base prospectus and pricing statement.
Section 243 (5)	Base prospectus, pricing statement or base prospectus and pricing statement.
Section 243 (6)	Base prospectus and pricing statement.
Section 245	Base prospectus and pricing statement.
Section 246 (1)	Base prospectus and pricing statement.
Section 246 (2)	Base prospectus or, where there is an applicable pricing statement, base prospectus and pricing statement.
Section 247	Base prospectus, pricing statement or base prospectus and pricing statement.
Section 248	Base prospectus, pricing statement or base prospectus and pricing statement.

Section 249 (1) (other than paragraphs (a) and (b))	Base prospectus and pricing statement.
Paragraphs (a) and (b) of section 249 (1)	Base prospectus, pricing statement or base prospectus and pricing statement.
Section 249 (1A) and (1B)	Base prospectus and pricing statement.
Section 249 (2) and (3)	Base prospectus, pricing statement or base prospectus and pricing statement.
Section 249A (1) (other than paragraphs (a) and (b))	Base prospectus and pricing statement.
Paragraphs (a) and (b) of section 249A (1)	Base prospectus, pricing statement or base prospectus and pricing statement.
Section 249A (2) (other than paragraphs (a) and (b))	Base prospectus and pricing statement.
Paragraphs (a) and (b) of section 249A (2)	Base prospectus, pricing statement or base prospectus and pricing statement.
Section 249A (3)	Base prospectus, pricing statement or base prospectus and pricing statement.
Section 249A (4) and (5)	Base prospectus and pricing statement.
Section 250	Base prospectus and pricing statement.
Section 251 (1) and (2)	Base prospectus and pricing statement.
Section 251 (3) and (4)	(a) Base prospectus, where the preliminary document is a preliminary base prospectus; or (b) Base prospectus and pricing statement, where the preliminary document comprises — (i) the preliminary base prospectus and preliminary pricing statement; or (ii) the base prospectus and preliminary pricing statement.
Section 251 (5)	Base prospectus or, where there is an applicable pricing statement, base prospectus and pricing statement.
Section 251 (6) and (8)	Base prospectus and pricing statement.

Section 251 (9) (other than paragraph (g))	Base prospectus, pricing statement or base prospectus and pricing statement.
Paragraph (g) of section 251 (9)	Pricing statement.
Section 253 (4) and (5)	Base prospectus, pricing statement or base prospectus and pricing statement.
Section 254 (3)	Base prospectus, pricing statement or base prospectus and pricing statement.
Section 254(4)	Base prospectus and pricing statement.
Section 255	Base prospectus, pricing statement or base prospectus and pricing statement.
Section 257(2)	Base prospectus and pricing statement.
Section 257(4)	Base prospectus, pricing statement or base prospectus and pricing statement.
Section 259	Base prospectus and pricing statement.
Section 268	Base prospectus and pricing statement.
Section 270	Base prospectus and pricing statement.
Section 280	Base prospectus and pricing statement.

PART II

Regulation 7(1)(b)

CONSTRUCTION OF REFERENCE TO PROFILE STATEMENT

1. A reference to a profile statement in a provision of the Act specified in the first column shall be construed as a reference to the document or documents specified in the second column.

2. Where more than one document is specified in the second column, any requirement under a provision of the Act specified in the first column which is applicable to a profile statement shall be applicable to each document specified in the second column.

<i>First column</i> <i>Provision of Act</i>	<i>Second column</i> <i>Document or documents</i>

Section 240 (4)	Base profile statement and pricing statement.
Section 240 (4A), (4B) and (4C)	Base profile statement, or base profile statement and pricing statement.
Section 240 (8) and (8A)	Base profile statement.
Section 240 (9A)	Base profile statement, or base profile statement and pricing statement.
Section 240 (11)	Base profile statement.
Section 240 (11A), (12), (14), (15) and (16)	Base profile statement, or base profile statement and pricing statement.
Section 240 (17) (a) and (i)	Base profile statement, or base profile statement and pricing statement.
Section 240 (17) (b)	Base profile statement and pricing statement.
Section 241 (8) and (12)	Base profile statement and pricing statement.
Section 242 (3), (5), (7) and (8)	Base profile statement and pricing statement.
Section 246 (1)	Base profile statement and pricing statement.
Section 246 (2)	Base profile statement, or base profile statement and pricing statement.
Section 247	Base profile statement, or base profile statement and pricing statement.
Section 248	Base profile statement, or base profile statement and pricing statement.
Section 249 (1) (other than paragraphs (a) and (b))	Base profile statement and pricing statement.
Paragraphs (a) and (b) of section 249 (1)	Base profile statement, or base profile statement and pricing statement.
Section 249 (1A) and (1B)	Base profile statement and pricing statement.
Section 249 (2) and (3)	Base profile statement, or base profile statement and pricing statement.
Section 249A (1) (other than paragraphs (a) and (b))	Base profile statement and pricing statement.
Paragraphs (a) and (b) of section 249A (1)	Base profile statement, or base profile statement and pricing statement.

Section 249A (2) (other than paragraphs (a) and (b))	Base profile statement and pricing statement.
Paragraphs (a) and (b) of section 249A (2)	Base profile statement, or base profile statement and pricing statement.
Section 249A (3)	Base profile statement, or base profile statement and pricing statement.
Section 249A (4) and (5)	Base profile statement and pricing statement.
Section 250	Base profile statement and pricing statement.
Section 251 (2)	Base profile statement and pricing statement.
Section 251 (3), (4) and (5)	Base profile statement, or base profile statement and pricing statement.
Section 251 (6) and (8)	Base profile statement and pricing statement.
Section 251 (9)	Base profile statement, or base profile statement and pricing statement.
Section 253 (4) and (5)	Base profile statement, or base profile statement and pricing statement.
Section 254 (3)	Base profile statement, or base profile statement and pricing statement.
Section 254 (4)	Base profile statement and pricing statement.
Section 255	Base profile statement, or base profile statement and pricing statement.
Section 280	Base profile statement and pricing statement.

PART III

Regulation 7(1)(c)

CONSTRUCTION OF REFERENCE TO PRELIMINARY DOCUMENT

1. A reference to a preliminary document in a provision of the Act specified in the first column shall be construed as a reference to the document or documents specified in the second column.

2. Where more than one document is specified in the second column, any requirement under a provision of the Act specified in the first column which is applicable to a preliminary document shall be applicable to each document specified in the second column.

<i>First column Provision of Act</i>	<i>Second column Document or documents</i>
Section 240 (2), (3) and (9)	(a) Preliminary base prospectus (in which case the prospectus will be a base prospectus); (b) Preliminary base prospectus and preliminary pricing statement (in which case the prospectus will comprise a base prospectus and a pricing statement); or (c) Base prospectus and preliminary pricing statement (in which case the prospectus will comprise a base prospectus and a pricing statement), as the case may be.
Section 251 (3) and (4)	(a) Preliminary base prospectus; (b) Preliminary base prospectus and preliminary pricing statement; or (c) Base prospectus and preliminary pricing statement, as the case may be.

FOURTH SCHEDULE

Regulations 2(3), 28(4) and 35(3)

INTERPRETATION FOR TERMS USED IN FIFTH TO ~~SIX~~NINETEENTH SCHEDULES

- (2) Explanatory Note: Amendments are proposed to combine the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 with the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005.

1. In this Schedule and the Fifth to ~~Six~~Nineteenth Schedules, unless the context otherwise requires —

“annual financial statements” —

(a) in relation to an entity, means financial statements covering a financial year of the entity; or

(b) in relation to a business trust, means financial statements kept by the trustee-manager of the business trust covering a financial year of the business trust;

“associate” —

(a) in relation to an entity, means —

(i) in a case where the entity —

(A) is a substantial shareholder, controlling shareholder, substantial interest-holder or controlling interest-holder, or

(B) a substantial shareholder or controlling shareholder of the trustee-manager of a business trust, or a substantial unitholder or controlling unitholder of a business trust, its related corporation, related entity, associated company or associated entity; or

(+)(ii) in any other case —

(A) a director or an equivalent person;

(B) where the entity is a corporation, a controlling shareholder of the entity;

(C) where the entity is not a corporation, a controlling interest-holder of the entity;

(D) a subsidiary, a subsidiary entity, an associated company, or an associated entity; or

(E) a subsidiary, a subsidiary entity, an associated company, or an associated entity, of the controlling shareholder or controlling interest-holder, as the case may be,

of the entity;

(aa) in relation to a business trust, means —

(i) the trustee-manager of the business trust;

(ii) a director or controlling shareholder of the trustee-manager of the business trust;

(iii) a controlling unitholder of the business trust;

(iv) a subsidiary, a subsidiary entity, an associated company or an associated entity of the trustee-manager of the business trust; or

(v) a subsidiary, a subsidiary entity, an associated company or an associated entity of the controlling shareholder of the trustee-manager or the controlling unitholder of the business trust, as the case may be; and

(b) in relation to an individual, means —

(i) his immediate family;

(ii) a trustee of any trust of which the individual or any member of the individual's immediate family is —

(A) a beneficiary; or

(B) where the trust is a discretionary trust, a discretionary object,

when the trustee acts in that capacity; or

(iii) any corporation in which he and his immediate family (whether directly or indirectly) have interests in voting shares of an aggregate of not less than 30% of the total votes attached to all voting shares;

“associated company” —

(a) in relation to an entity, means —

(~~ia~~) any corporation, other than a subsidiary of the entity, in which —

~~(i)(A)~~ the entity or one or more of its subsidiaries or subsidiary entities has;

~~(ii)(B)~~ the entity, one or more of its subsidiaries and one or more of its subsidiary entities together have;

~~(iii)(C)~~ the entity and one or more of its subsidiaries together have;

~~(iv)(D)~~ the entity and one or more of its subsidiary entities together have; or

~~(v)(E)~~ one or more of the subsidiaries of the entity and one or more of the subsidiary entities of the entity together have,

a direct interest in voting shares of not less than 20% but not more than 50% of the total votes attached to all voting shares in the corporation; or

~~(b)(ii)~~—any corporation, other than a subsidiary of the entity or a corporation which is an associated company of the entity by virtue of paragraph (~~ia~~), the policies of which —

~~(i)(A)~~ the entity or one or more of its subsidiaries or subsidiary entities;

~~(ii)(B)~~ the entity together with one or more of its subsidiaries and one or more of its subsidiary entities;

~~(iii)(C)~~ the entity together with one or more of its subsidiaries;

~~(iv)(D)~~ the entity together with one or more of its subsidiary entities; or

~~(v)(E)~~ one or more of the subsidiaries of the entity together with one or more of the subsidiary entities of the entity,

is or are able to control or influence materially; and

(b) in relation to a business trust, means —

(i) any corporation, other than a subsidiary of the business trust, in which —

(A) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) or one or

more of the subsidiaries or subsidiary entities of the business trust has;

(B) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust), one or more of the subsidiaries of the business trust and one or more of the subsidiary entities of the business trust together have;

(C) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) and one or more of the subsidiaries of the business trust together have;

(D) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) and one or more of the subsidiary entities of the business trust together have; or

(E) one or more of the subsidiaries of the business trust and one or more of the subsidiary entities of the business trust together have,

a direct interest in the voting shares of not less than 20% but not more than 50% of the total votes attached to all voting shares in the corporation; or

(ii) any corporation, other than a subsidiary of the business trust or a corporation which is an associated company of the business trust by virtue of sub-paragraph (i), the policies of which —

(A) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) or one or more of the subsidiaries or subsidiary entities of the business trust;

(B) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) together with one or more of the subsidiaries of the business trust and one or more of the subsidiary entities of the business trust;

(C) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) together with one or more of the subsidiaries of the business trust;

(D) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) together

with one or more of the subsidiary entities of the business trust; or

(E) one or more of the subsidiaries of the business trust together with one or more of the subsidiary entities of the business trust,

is able to control or influence materially;

“associated entity”,

(a) in relation to an entity, means —

~~(a)~~ any entity (not being a corporation), other than a subsidiary entity of the first-mentioned entity, in which —

~~(i)~~(A) the first-mentioned entity or one or more of its subsidiaries or subsidiary entities has;

~~(ii)~~(B) the first-mentioned entity, one or more of its subsidiaries and one or more of its subsidiary entities together have;

~~(iii)~~(C) the first-mentioned entity and one or more of its subsidiaries together have;

~~(iv)~~(D) the first-mentioned entity and one or more of its subsidiary entities together have; or

~~(v)~~(E) one or more of the subsidiaries of the first-mentioned entity and one or more of the subsidiary entities of the first-mentioned entity together have,

a direct equity interest of not less than 20% but not more than 50% of the total equity interests in the entity; or

~~(b)~~ii any entity (not being a corporation), other than a subsidiary entity of the first-mentioned entity or an entity which is an associated entity of the first-mentioned entity by virtue of paragraph (a), the policies of which —

~~(i)~~(A) the first-mentioned entity or one or more of its subsidiaries or subsidiary entities;

~~(ii)~~(B) the first-mentioned entity together with one or more of its subsidiaries and one or more of its subsidiary entities;

~~(iii)~~(C) the first-mentioned entity together with one or more of its subsidiaries;

~~(iv)~~(D) the first-mentioned entity together with one or more of its subsidiary entities; or

~~(v)~~(E) one or more of the subsidiaries of the first-mentioned entity together with one or more of the subsidiary entities of the first-mentioned entity,

is or are able to control or influence materially; and

(b) in relation to a business trust, means —

(i) any entity (not being a corporation), other than a subsidiary entity of the business trust, in which —

(A) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) or one or more of the subsidiaries or subsidiary entities of the business trust has;

(B) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust), one or more of the subsidiaries of the business trust and one or more of the subsidiary entities of the business trust together have;

(C) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) and one or more of the subsidiaries of the business trust together have;

(D) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) and one or more of the subsidiary entities of the business trust together have; or

(E) one or more of the subsidiaries of the business trust and one or more of the subsidiary entities of the business trust together have,

a direct equity interest of not less than 20% but not more than 50% of the equity interests of that entity; or

(ii) any entity (not being a corporation), other than a subsidiary entity of the business trust or an entity which is an associated entity of the business trust by virtue of sub-paragraph (i), the policies of which —

- (A) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) or one or more of the subsidiaries or subsidiary entities of the business trust;
- (B) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) together with one or more of the subsidiaries of the business trust and one or more of the subsidiary entities of the business trust;
- (C) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) together with one or more of the subsidiaries of the business trust;
- (D) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) together with one or more of the subsidiary entities of the business trust; or
- (E) one or more of the subsidiaries of the business trust together with one or more of the subsidiary entities of the business trust,

is or are able to control or influence materially;

“business”, in relation to a registered business trust, means the business relating to the trust property of the business trust and managed and operated by the trustee-manager of the business trust in its capacity as trustee-manager of the business trust;

“chief executive officer”, in relation to the trustee-manager of a registered business trust, has the same meaning as in section 86(10) of the Business Trusts Act (Cap. 31A);

“control”, in relation to a business trust, means the capacity to determine the outcome of decisions on the financial and operating policies of the business of the business trust, having regard to the following considerations:

- (a) the practical influence which can be exerted (rather than the rights which can be enforced); and
- (b) any practice or pattern of behaviour affecting the financial or operating policies of the business trust (even if it involves a breach of an agreement or a breach of trust),

but excludes any capacity to influence decisions on such financial and operating policies where such influence is required to be exercised for the benefit of other persons pursuant to an obligation imposed under any written law, rule of law, contract or order of court;

“controlling interest-holder”, in relation to an entity (not being a corporation), means —

- (a) a person who has an equity interest in the entity and who exercises control over the entity; or
- (b) a person who has an equity interest in the entity of an aggregate of not less than 30% of the total equity interests in the entity, unless he does not exercise control over the entity;

“controlling shareholder”, in relation to a corporation, means —

- (a) a person who has an interest in the voting shares of the corporation and who exercises control over the corporation; or
- (b) a person who has an interest in the voting shares of the corporation of an aggregate of not less than 30% of the total votes attached to all voting shares in the corporation, unless he does not exercise control over the corporation;

“controlling unitholder”, in relation to a business trust, means —

- (a) a person who has an interest or interests in units in the business trust and who exercises control over the business trust; or
- (b) a person who has an interest or interests in units representing not less than 30% of the total voting rights of all the unitholders of the business trust, unless he does not exercise control over the business trust;

“convertible debentures” means debentures which are —

- (a) convertible into or exchangeable for other securities or securities-based derivatives contracts, equity interests or property; or
- (b) attached with options, warrants or other similar rights to subscribe for or purchase other securities or securities-based derivatives contracts, equity interests or property;

“depositor”, in relation to a securitisation transaction where the transfer of assets in that transaction is a two-step process, means a special purpose vehicle created by the sponsor of that securitisation transaction to hold the assets that will subsequently be transferred or assigned to the entity issuing the asset-backed securities;

“enhancement” —

- (a) in relation to an offer of asset-backed securities, means any arrangement by a person to compensate a special purpose vehicle for a pre-determined amount of loss incurred as a means of insuring against any type of risk associated with any asset transferred or assigned to the special purpose vehicle under a securitisation transaction; and
- (b) in relation to an offer of structured notes, means any arrangement by a person to compensate a single purpose vehicle or specified financial institution for a pre-determined amount of loss incurred as a means of insuring against any type of risk associated with any reference asset or, where the issuer is a single purpose vehicle, any pool asset;

“entity at risk” means —

- (a) the entity concerned or the trustee-manager of the business trust concerned (acting in its capacity as trustee-manager of the business trust concerned), as the case may be;
- (b) a subsidiary or subsidiary entity of the entity or business trust concerned;
- (c) an entity which is an associated company of the entity or business trust concerned by virtue of paragraphs (a)(i) or (b)(i) of the definition of “associated company” (as the case may be), or an associated entity of the entity concerned by virtue of paragraphs (a)(i) or (b)(i) of the definition of “associated entity” (as the case may be), over which control is exercised by any of the following persons:
 - (i) the entity concerned or the trustee-manager of the business trust concerned (acting in its capacity as trustee-manager of the business trust concerned), as the case may be;
 - (ii) one or more subsidiaries or subsidiary entities of the entity or business trust concerned;

- (iii) the entity concerned or the trustee-manager of the business trust concerned (acting in its capacity as trustee-manager of the business trust concerned), together with one or more of its related parties;
- (iv) one or more subsidiaries or subsidiary entities of the entity or business trust concerned together with one or more other related parties of the entity or business trust concerned, as the case may be;

“equity interest”, in relation to an entity, means any right or interest, whether legal or equitable, in the entity, by whatever name called, and includes any option to acquire any such right or interest in the entity;

“financial position and results”, in relation to a business trust, means —

- (a) the financial position of the business trust derived from the accounting records and other records kept by the trustee-manager of the business trust; and
- (b) the results with respect to the operations of the business trust carried out by the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust);

“financial statements” means profit and loss statements, balance sheets and cash flow statements, and includes any attached notes and schedules which are required by the body of accounting standards adopted by the entity concerned or the trustee-manager of the business trust concerned in preparing ~~the~~ financial statements of the entity or the business trust concerned, as the case may be;

“group”, except for paragraph 4 of Part V of the Fifth Schedule, paragraph 4 of Part V of the Sixth Schedule, paragraph 2 of Part V of the Seventh Schedule, ~~and~~ paragraph 2 of Part V of the Tenth Schedule, and paragraph 4 of Part V of the Seventeenth Schedule, means —

- (a) a corporation, its subsidiaries and its subsidiary entities (if any); ~~or~~
- (b) an entity (not being a corporation), its subsidiaries and its subsidiary entities (if any); or
- (c) a business trust and the subsidiaries and subsidiary entities (if any) of the business trust.

“interested person”,

(a) in relation to an entity, means —

- ~~(a)~~(i) a director or an equivalent person of the entity;
- ~~(b)~~(ii) the chief executive officer or equivalent person of the entity;
- ~~(c)~~(iii) where the entity is a corporation, a controlling shareholder of the entity;
- ~~(d)~~(iv) where the entity is not a corporation, a controlling interest-holder of the entity; or
- ~~(e)~~(v) an associate of any person referred to in paragraph ~~(a)~~(i), ~~(b)~~(ii), ~~(c)~~(iii) or ~~(d)~~(iv); and

(b) in relation to a business trust, means —

- (i) the trustee-manager of the business trust acting in its own capacity;
- (ii) a related corporation of the trustee-manager of the business trust (other than a subsidiary of the business trust) or a related entity of the trustee-manager of the business trust (other than a subsidiary entity of the business trust);
- (iii) an associated company of the trustee-manager of the business trust (other than an associated company of the business trust) or an associated entity of the trustee-manager of the business trust (other than an associated entity of the business trust);
- (iv) a director, the chief executive officer or a controlling shareholder of the trustee-manager of the business trust;
- (v) a controlling unitholder of the business trust; or
- (vi) an associate of any such director, chief executive officer, controlling shareholder or controlling unitholder;

key executive” —

(a) in relation to an entity or a business trust, means an individual who is employed in an executive capacity by the entity or the trustee-manager of the business trust and who —

- (i) makes or participates in making decisions that affect the whole or a substantial part of the business of the entity or the business trust (as the case may be); or

(ii) has the capacity to make decisions which affect significantly the entity's financial standing or the financial standing of the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) (as the case may be); and

(b) in relation to a group, means an individual who is employed in an executive capacity by an entity in the group or the trustee-manager of the business trust or any other entity in the group (as the case may be) and who —

(i) makes or participates in making decisions that affect the whole or a substantial part of the business of the group; or

(ii) has the capacity to make decisions which affect significantly the group's financial standing;

“latest practicable date” means a date which is the latest practicable in the context of the applicable requirement in these Regulations and which —

(a) in relation to a prospectus, is no earlier than 14 days prior to the date of lodgment of the prospectus with the Authority; and

(b) in relation to an offer information statement, is no earlier than 7 days prior to the date of lodgment of the offer information statement with the Authority;

“originator” means the entity that creates the receivables, loans or other financial assets which form the relevant assets of any asset-backed securities;

~~[S 169/2013 wef 28/03/2013]~~

“pool assets”, in relation to an offer of structured notes, means the assets held by a single purpose vehicle (whether as a legal owner or as an equitable owner);

“profit estimate” means a profit estimate for any period of time from the end of the financial period covered by the most recent financial statements (whether audited, pro forma or interim) included in the document which is the subject of the relevant Schedule to a date no later than the date of lodgment of the document with the Authority;

“related corporation” —

(a) in relation to a corporation, has the same meaning as in section 4(1) of the Companies Act (Cap. 50); ~~and~~

(b) in relation to an entity (not being a corporation), means a corporation that is deemed to be a related corporation of the entity under paragraph 46; and

~~(b)~~(c) in relation to a business trust, means a corporation that is deemed to be a related corporation of the business trust under paragraph 7;

“related entity” —

(a) in relation to an entity, means any entity (not being a corporation) that is deemed to be a related entity of the first-mentioned entity under paragraph 85; and

(b) in relation to a business trust, means any entity (not being a corporation) that is deemed to be a related entity of the business trust under paragraph 9;

“relevant assets”, in relation to an offer of asset-backed securities, means the assets held by a special purpose vehicle pursuant to a securitisation transaction;

“special purpose vehicle” has the same meaning as in section 262(3) of the Act;

“servicer” —

(a) in relation to an offer of asset-backed securities, means the entity that is principally responsible for the ongoing administration of the relevant assets; and

(b) in relation to an offer of structured notes pursuant to a synthetic securitisation transaction, means the entity that is principally responsible for the ongoing administration of the reference assets;

“sponsor” —

(a) in relation to a securitisation transaction, means the entity that initiates the securitisation transaction by originating or acquiring and packaging, either directly or indirectly, a group of assets for resale as asset-backed securities; and

(b) in relation to a synthetic securitisation transaction, means the entity that initiates the synthetic securitisation transaction by originating and packaging, either directly or indirectly, exposure to a group of reference assets for sale in the form of structured notes;

“subsidiary” —

(a) in relation to a corporation, has the same meaning as in section 5(1) of the Companies Act (Cap. 50); and

(b) in relation to an entity (not being a corporation), means a corporation that is deemed to be a subsidiary of the entity under paragraph 2; and

~~(b)~~(c) in relation to a business trust, means a corporation that is deemed to be a subsidiary of the business trust under paragraph 3;

“subsidiary entity” :-

(a) in relation to an entity, means any entity (not being a corporation) that is deemed to be a subsidiary entity of the first-mentioned entity under paragraph 34; and

(b) in relation to a business trust, means any entity (not being a corporation) that is deemed to be a subsidiary entity of the business trust under paragraph 5;

“substantial interest-holder”, in relation to an entity (not being a corporation), means a person who has an equity interest in the entity representing not less than 5% of the total equity interests in the entity;:-

“substantial unitholder”, in relation to a business trust, means a person who has an interest or interests in units representing not less than 5% of the total voting rights of all the unitholders of the business trust.

[S 186/2013 wef 02/04/2013]

2.—(1) For the purposes of this Schedule and the Fifth to ~~Six~~Nineteenth Schedules, a corporation shall, subject to sub-paragraph (3), be deemed to be a subsidiary of an entity (not being a corporation), if —

(a) the entity —

- (i) controls the composition of the board of directors of the corporation;
- (ii) controls more than half of the voting power of the corporation; or
- (iii) holds more than half of the issued share capital of the corporation(excluding any part thereof which consists of preference shares); or

(b) the corporation is a subsidiary of another entity which is a subsidiary of the entity.

[S 186/2013 wef 02/04/2013]

(2) For the purposes of sub-paragraph (1)(a)(i), the composition of a corporation’s board of directors shall be deemed to be controlled by the entity if the entity has the power to, without the consent or concurrence of any other

person, appoint or remove all or a majority of the directors, and for the purposes of this provision, the entity shall be deemed to have that power if —

- (a) a person cannot be appointed as a director without the exercise in his favour by the entity of that power; or
 - (b) a person's appointment as a director follows necessarily from his holding an appointment in relation to the entity which is equivalent to that of a director or officer of a corporation.
- (3) In determining whether a corporation is a subsidiary of the entity —
- (a) any shares held in or power exercisable over the corporation by the entity in a fiduciary capacity shall not be treated as held or exercisable by the entity;
 - (b) subject to sub-paragraphs (c) and (d), any shares held in or power exercisable over the corporation —
 - (i) by any person as a nominee for the entity (except where the entity is concerned only in a fiduciary capacity); or
 - (ii) by, or by a nominee for, a subsidiary of the entity, not being a subsidiary which is concerned only in a fiduciary capacity,shall be treated as held or exercisable by the entity;
 - (c) any shares held in or power exercisable over the corporation by any person by virtue of the provisions of any debentures of the corporation or of a trust deed for securing any issue of such debentures shall be disregarded; and
 - (d) any shares held in or power exercisable over the corporation by, or by a nominee for, the entity or its subsidiary (not being shares held in or power exercisable over the corporation as mentioned in sub-paragraph (c)) shall not be treated as held or exercisable by the entity if the ordinary business of the entity or its subsidiary, as the case may be, includes the lending of money, and the shares are held or power is exercisable as security only for the purposes of a transaction entered into in the ordinary course of that business.

3. —(1) For the purposes of this Schedule and the Seventeenth and Eighteenth Schedules, a corporation shall, subject to sub-paragraph (3), be deemed to be a subsidiary of a business trust, if —

(a) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) —

(i) controls the composition of the board of directors of the corporation;

(ii) controls more than half of the voting power of the corporation;
or

(iii) holds more than half of the issued share capital of the corporation(excluding any part thereof which consists of preference shares); or

(b) the corporation is a subsidiary of another corporation which is a subsidiary of the business trust.

(2) For the purposes of sub-paragraph (1)(a)(i), the composition of a corporation's board of directors shall be deemed to be controlled by the trustee-manager of a business trust (acting in its capacity as trustee-manager of the business trust) if the trustee-manager has the power to, without the consent or concurrence of any other person, appoint or remove all or a majority of the directors, and for the purposes of this provision, the trustee-manager shall be deemed to have that power if —

(a) a person cannot be appointed as a director without the exercise in his favour by the trustee-manager of that power; or

(b) a person's appointment as a director follows necessarily from his being a director or other officer of the trustee-manager.

(3) In determining whether a corporation is a subsidiary of a business trust
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(a) subject to sub-paragraphs (b) and (c), any shares held in or power exercisable over the corporation by, or by a nominee for, a subsidiary or subsidiary entity of the business trust, not being a subsidiary or subsidiary entity which is concerned only in a fiduciary capacity, shall be treated as held or exercisable by the trustee-manager;

(b) any shares held in or power exercisable over the corporation by any person by virtue of the provisions of any debentures of the corporation or of a trust deed for securing any issue of such debentures shall be disregarded; and

(c) any shares held in or power exercisable over the corporation by, or by a nominee for, the trustee-manager or a subsidiary or subsidiary entity

of the business trust (not being shares held in or power exercisable over the corporation as mentioned in sub-paragraph (b)) shall not be treated as held or exercisable by the trustee-manager if the ordinary business of the trustee-manager or the subsidiary or subsidiary entity of the business trust, as the case may be, includes the lending of money, and the shares are held or power is exercisable as security only for the purposes of a transaction entered into in the ordinary course of that business.

34.—(1) For the purposes of this Schedule and the Fifth to ~~Six~~Nineteenth Schedules, an entity (not being a corporation) shall, subject to sub-paragraph (3), be deemed to be a subsidiary entity of another entity, if —

(a) the second-mentioned entity —

- (i) controls the composition of the board of persons (referred to in this paragraph as the Board) of the first-mentioned entity which is equivalent to the board of directors of a corporation;
- (ii) controls more than half of the voting power of the first-mentioned entity; or
- (iii) holds more than half of the issued equity interests of the first-mentioned entity; or

(b) the first-mentioned entity is a subsidiary entity of another entity which is a subsidiary or subsidiary entity of the second-mentioned entity.

~~[S 186/2013 wef 02/04/2013]~~

(2) For the purposes of sub-paragraph (1)(a)(i), the composition of the Board of an entity shall be deemed to be controlled by another entity if the second-mentioned entity has the power to, without the consent or concurrence of any other person, appoint or remove all or a majority of the Board of the first-mentioned entity, and for the purposes of this provision, the second-mentioned entity shall be deemed to have that power if —

- (a) a person cannot be appointed as a member of the Board of the first-mentioned entity without the exercise in his favour by the second-mentioned entity of that power; or
- (b) a person's appointment as a member of the Board of the first-mentioned entity follows necessarily from his holding an appointment in relation to the second-mentioned entity which is equivalent to that of a director or officer of a corporation.

(3) In determining whether an entity (not being a corporation) is a subsidiary entity of another entity —

(a) any equity interests held in or power exercisable over the first-mentioned entity by the second-mentioned entity in a fiduciary capacity shall not be treated as held or exercisable by the second-mentioned entity;

(b) subject to sub-paragraphs (c) and (d), any equity interests held in or power exercisable over the first-mentioned entity —

(i) by any person as a nominee for the second-mentioned entity (except where the second-mentioned entity is concerned only in a fiduciary capacity); or

(ii) by, or by a nominee for, a subsidiary or subsidiary entity of the second-mentioned entity, not being a subsidiary or subsidiary entity which is concerned only in a fiduciary capacity,

shall be treated as held in or exercisable over the first-mentioned entity by the second-mentioned entity;

(c) any equity interests held in or power exercisable over the first-mentioned entity by any person by virtue of the provisions of any debentures of the first-mentioned entity or of a trust deed for securing any issue of such debentures shall be disregarded; and

(d) any equity interests held in or power exercisable over the first-mentioned entity by, or by a nominee for, the second-mentioned entity or its subsidiary or subsidiary entity (not being equity interests held in or power exercisable over the first-mentioned entity as mentioned in sub-paragraph (c)) shall not be treated as held or exercisable by the second-mentioned entity if the ordinary business of the second-mentioned entity or its subsidiary or subsidiary entity, as the case may be, includes the lending of money and the equity interests are held or power is exercisable as security only for the purposes of a transaction entered into in the ordinary course of that business.

5.—(1) For the purposes of this Schedule and the Seventeenth and Eighteenth Schedules, an entity (not being a corporation) shall, subject to sub-paragraph (3), be deemed to be a subsidiary entity of a business trust, if —

(a) the trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust) —

(i) controls the composition of the board of persons (referred to in this paragraph as the Board) of the entity which is equivalent to the board of directors of a corporation;

(ii) controls more than half of the voting power of the entity; or

(iii) holds more than half of the issued equity interests of the entity;
or

(b) the entity is a subsidiary entity of another entity which is a subsidiary or subsidiary entity of the business trust.

(2) For the purposes of sub-paragraph (1)(a)(i), the composition of the Board of an entity (not being a corporation) shall be deemed to be controlled by the trustee-manager of a business trust (acting in its capacity as trustee-manager of the business trust) if the trustee-manager has the power to, without the consent or concurrence of any other person, appoint or remove all or a majority of the Board of the entity, and for the purposes of this provision, the trustee-manager shall be deemed to have that power if —

(a) a person cannot be appointed as a member of the Board of the entity without the exercise in his favour by the trustee-manager of that power;
or

(b) a person's appointment as a member of the Board of the entity follows necessarily from his being a director or other officer of the trustee-manager.

(3) In determining whether an entity (not being a corporation) is a subsidiary entity of a business trust —

(a) subject to sub-paragraphs (b) and (c), any equity interests held in or power exercisable over the entity by, or by a nominee for, a subsidiary or subsidiary entity of the business trust, not being a subsidiary or subsidiary entity which is concerned only in a fiduciary capacity, shall be treated as held or exercisable by the trustee-manager;

(b) any equity interests held in or power exercisable over the entity by any person by virtue of the provisions of any debentures of the entity or a trust deed for securing any issue of such debentures shall be disregarded; and

(c) any equity interests held in or power exercisable over the entity by, or by a nominee for, the trustee-manager or a subsidiary or subsidiary entity of the business trust (not being equity interests held in or power exercisable over the entity as mentioned in sub-paragraph (b)) shall

not be treated as held or exercisable by the trustee-manager if the ordinary business of the trustee-manager or the subsidiary or subsidiary entity of the business trust, as the case may be, includes the lending of money and the equity interests are held or power is exercisable as security only for the purposes of a transaction entered into in the ordinary course of that business.

~~46.~~ For the purposes of this Schedule and the Fifth to ~~Six~~Nineteenth Schedules, a corporation shall be deemed to be related to an entity (not being a corporation) if the corporation is —

- (a) a subsidiary of the entity;
- (b) the holding company of the entity; or
- (c) a subsidiary of the holding company or holding entity of the entity.

[S 186/2013 wef 02/04/2013]

7. For the purposes of this Schedule and the Seventeenth and Eighteenth Schedules, a corporation shall be deemed to be related to a business trust if the corporation is —

- (a) a subsidiary of the business trust;
- (b) the holding company of the business trust; or
- (c) a subsidiary of the holding company or holding entity of the business trust.

~~58.~~ For the purposes of this Schedule and the Fifth to ~~Six~~Nineteenth Schedules, an entity (not being a corporation) shall be deemed to be related to another entity if the first-mentioned entity is —

- (a) a subsidiary entity of the second-mentioned entity;
- (b) the holding entity of the second-mentioned entity; or
- (c) a subsidiary entity of the holding company or holding entity of the second-mentioned entity.

[S 186/2013 wef 02/04/2013]

9. For the purposes of this Schedule and the Seventeenth and Eighteenth Schedules, an entity(not being a corporation) shall be deemed to be related to a business trust if the entity is —

- (a) a subsidiary entity of the business trust;
- (b) the holding entity of the business trust; or

(c) a subsidiary entity of the holding company or holding entity of the business trust.

~~6~~10. For the purposes of this Schedule and the Fifth to ~~Six~~Nineteenth Schedules, a corporation is the holding company of an entity if it —

- (a) controls more than half of the voting power of the entity; or
- (b) holds more than half of the issued equity interests of the entity.

[S 186/2013 wef 02/04/2013]

11. For the purposes of this Schedule and the Seventeenth and Eighteenth Schedules, a corporation is the holding company of a business trust if it —

- (a) controls more than half of the voting power of the business trust; or
- (b) holds more than half of the issued units of the business trust.

~~7~~12. For the purposes of this Schedule and the Fifth to ~~Six~~Nineteenth Schedules, an entity (not being a corporation) is the holding entity of another entity if it —

- (a) controls more than half of the voting power of the second-mentioned entity; or
- (b) holds more than half of the issued equity interests of the second-mentioned entity.

[S 186/2013 wef 02/04/2013]

13. For the purposes of this Schedule and the Seventeenth and Eighteenth Schedules, an entity (not being a corporation) is the holding entity of a business trust if it —

- (a) controls more than half of the voting power of the business trust; or
- (b) holds more than half of the issued units of the business trust.

~~8~~14. For the purposes of this Schedule and the Fifth to ~~Six~~Nineteenth Schedules

—

- (a) any reference to a director or an equivalent person of an entity, or a director of the trustee-manager of a business trust, includes a reference to a person named with that person's consent in the prospectus or offer information statement, as the case may be, as a proposed director or an equivalent person of the entity concerned or the trustee-manager of the business trust concerned;

- (b) any reference to the most recent completed financial year or years shall be a reference to the most recent completed financial year or years prior to the lodgment of the document with the Authority which is the subject of the relevant Schedule; and
- (c) any reference to a pro forma group, in relation to an entity or a business trust, shall be a reference to a pro forma group of which the entity or trustee-manager of the business trust (acting in its capacity as trustee-manager of the business trust)) (as the case may be) is the holding entity.

~~[S 186/2013 wef 02/04/2013]~~

9. ~~[Deleted by S 186/2013 wef 02/04/2013]~~

FIFTH SCHEDULE

Regulation 8(1)(a)

PARTICULARS TO BE INCLUDED UNDER SECTION 243(1) OF THE ACT IN A PROSPECTUS FOR AN OFFER OF SHARES OR UNITS OF SHARES, WHERE AN APPLICATION HAS BEEN OR WILL BE MADE TO AN SECURITIESAPPROVED EXCHANGE TO LIST FOR QUOTATION OR QUOTE THOSE SHARES OR UNITS OF SHARES ON THE SECURITIESAPPROVED EXCHANGE

(3) Explanatory Note: The proposed amendments have been replicated to the other schedules in this regulation where relevant.

PART I

FRONT COVER

1. On the front cover of the prospectus, provide —

(a) the date of registration of the prospectus or, in the case of a supplementary prospectus or replacement prospectus, the date of lodgment of the supplementary prospectus or replacement prospectus;

(b) the following statements:

(i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.”; ~~and~~

(ii) “A copy of this prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the prospectus. Registration of the prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the shares or units of shares, as the case may be, being offered for investment.”; and

~~(ii)~~(iii) “As with all investment products, you should consider whether this is a suitable investment for yourself given your

investment objectives and risk appetite. You are responsible for your own investment choices.”

(4) Explanatory Note: MAS seeks comments on the inclusion of a statement at the front of the prospectus or offer information statement that investors should consider whether the investment is suitable for themselves given their investment objectives and risk appetite, and that investors are responsible for their own investment choices.

- (c) the name of the corporation (referred to in this Schedule as the relevant corporation) in respect of which the shares or units of shares, as the case may be, are being offered, and its country of incorporation;
- (d) a statement to the effect that an application has been or will be made to an an securitiesapproved exchange to list for quotation or quote the shares or units of shares, as the case may be, being offered on that securitiesapproved exchange, and the name of such securitiesapproved exchange; and
- (e) a statement that no shares or units of shares, as the case may be, shall be allotted or allocated on the basis of the prospectus later than 6 months after the date of registration of the prospectus by the Authority.

PART II

IDENTITY OF DIRECTORS, KEY EXECUTIVES, ADVISERS AND AGENTS

Directors and Key Executives

1. Provide the names, addresses and occupations of each of the directors and key executives of the relevant corporation.

Company Secretary

2. Provide the name and professional qualifications of the company secretary of the relevant corporation.

Advisers

3. Provide the names and addresses of —

(a) the ~~relevant corporation's~~ principal banker or bankers —;

- (i) of the relevant corporation; and
- (i)(ii) where the relevant corporation is the holding company of a group, of the group;
- (b) the issue manager to the offer;
- (c) the underwriter to the offer, if any; ~~and~~
- (d) the legal adviser for or in relation to the offer; ~~and~~;
- (e) the consultant engaged by the relevant corporation, if any, to assist in —
 - (i) any group restructuring exercise to be undertaken by the relevant corporation in conjunction with the offer and its application to list for quotation on the approved exchange; or
 - (i)(ii) the issue of securities or securities-based derivatives contracts to investors during the period of 12 months prior to the date of lodgment of the prospectus for the purposes of facilitating the offer and its application to list for quotation on the approved exchange.

(5) Explanatory Note: The amendments to paragraph 3 are proposed to clarify that where the relevant corporation is the holding company, the identities of the principal bankers of the group should be provided.

Separately, MAS notes that some companies seeking a listing on the approved exchange may engage consultants to assist them in the offering and listing process. The new sub-paragraph (e) is proposed to require issuers to identify the consultant engaged, if any.

Auditors

4. Provide the names, addresses and professional qualifications (including any membership in a professional body) of the relevant corporation's auditors for the 3 most recent completed financial years. If applicable, provide also the name, address and professional qualifications (including any membership in a professional body) of any other auditor engaged by the relevant corporation in relation to the requirements under Parts VI and IX of this Schedule.

5. In a case where 2 or more persons are engaged by the relevant corporation to jointly audit, report on or prepare financial information for the relevant corporation, all of these persons shall be treated as auditors for the purposes of the requirements under Parts VI and IX of this Schedule if at least one of these persons satisfies the definition of auditor in section 2(1) of the Act.

Registrars and Agents

6. Provide the names and addresses of the relevant corporation's share registrars, transfer agents and receiving bankers for the shares or units of shares, as the case may be, being offered.

PART III

OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the offer price and the number of shares or units of shares, as the case may be, being offered, but if the price or size has not been fixed at the time of registration of the prospectus by the Authority, state

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(a) the range of prices or range of numbers of shares or units of shares, as the case may be, within which the shares or units of shares are being offered; or

(b) both the range of prices and range of numbers of shares or units of shares, as the case may be.

1A. State the market capitalisation of the relevant corporation (or the range of market capitalisation, if the offer price or size is not fixed at the time of registration of the prospectus by the Authority) at the time the shares or units of shares, as the case may be, will be listed for quotation or quoted on the approved exchange.

(6) Explanatory Note: The amendments to paragraph 1 are proposed so as to give issuers the flexibility to increase or decrease the offer price and/or size within a specified range after the prospectus has been registered.

A new paragraph 1A has been proposed to require the prospectus to contain the issuer's market capitalisation at the time of its listing on the approved exchange for the investors' ease of reference.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to —

- (a) the offer procedure; and
- (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of the registration of the prospectus by the Authority, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.

3A. Where the offer price or size has not been fixed at the time of registration of the prospectus by the Authority and only the range of prices or range of numbers of shares or units of shares, or both, as the case may be, has been provided, state —

- (a) the method by which the offer price, or number of shares or units of shares, as the case may be, is to be determined; and
- (b) how the final offer price or size will be made known to investors.

(7) Explanatory Note: To cater to cases where the offer price and/or size has not been fixed at the time of registration of the prospectus, a new paragraph 3A has been proposed to require the issuer to disclose the method by which the offer price and/or size will be determined and how the final price and offer size will be made known to investors.

4. State the method and time limit for paying up for the shares or units of shares, as the case may be, being offered and where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

5. State, where applicable, the methods of and time limits for —
- (a) the delivery of the documents evidencing title to the shares or units of shares, as the case may be, being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and
 - (b) the book-entry transfers of the shares or units of shares, as the case may be, being offered in favour of subscribers or purchasers.
6. In the case of any pre-emptive rights to subscribe for or purchase the shares or units of shares, as the case may be, being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.
7. Provide a full description of the manner in which results of the allotment or allocation of the shares or units of shares, as the case may be, being offered are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

PART IV

KEY INFORMATION

Selected Financial Data

1. Provide, in the same currency as the financial statements to be provided under Part IX of this Schedule —
- (a) selected audited profit and loss data or, where audited financial statements have been restated under paragraph 8(b)(i) of Part IX of this Schedule, selected restated profit and loss data of the relevant corporation or, if the relevant corporation is the holding company of a group, the group containing at least the information specified in paragraph 3 of this Part in respect of the financial years for which annual financial statements have been included in the prospectus;
 - (b) if interim financial statements have been included in the prospectus, selected profit and loss data containing at least the information specified in paragraph 3 of this Part in respect of the interim period and, where annual financial statements in respect of the previous financial year have been included in the prospectus, comparative profit and loss data in respect of the corresponding interim period of the previous financial year; and
 - (c) selected balance sheet data containing at least the information specified in paragraph 4 of this Part, as at the end of —

- (i) the most recent completed financial year for which annual financial statements have been included in the prospectus; or
- (ii) if interim financial statements for any subsequent period have been included in the prospectus, that period.

2. If the selected profit and loss data or the selected balance sheet data for any interim period is not audited, that fact shall be stated.

3. For the selected profit and loss data, the specific line items presented must be expressed in the same manner as the corresponding line items in the audited or interim financial statements, as the case may be. Such data must include items generally corresponding to the following:

- (a) net sales or revenue;
- (b) profit or loss before tax;
- (c) net profit or loss after tax;

(ca) net profit or loss after tax attributable to shareholders of the company;

(cb) net profit or loss after tax attributable to non-controlling interests;

(8) Explanatory Note: Amendments to paragraph 3 are proposed to clarify that net profit or loss after tax, and the net profit or loss after tax attributable to shareholders of the company, and non-controlling interest respectively, should be disclosed.

- (d) earnings or loss per share; and
- (e) earnings or loss per share, after any adjustment to reflect the sale of new shares or units of shares.

Per share amounts to be included must be determined in accordance with the body of accounting principles used in preparing the financial statements.

4. For the selected balance sheet data, the specific line items presented must be expressed in the same manner as the corresponding line items in the audited or interim financial statements, as the case may be. Such data must include items generally corresponding to the following:

- (a) total assets;
- (b) total liabilities;
- (c) net assets or liabilities; and (d) issued capital and reserves.

5. Where the financial statements of the relevant corporation are prepared in a currency other than the Singapore currency, provide —

- (a) the exchange rate between that foreign currency and the Singapore currency as at the latest practicable date;
- (b) the highest and lowest exchange rates between that foreign currency and the Singapore currency for each month during the previous 6 months; and
- (c) for the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, the average exchange rates for each period, calculated by using the average of the exchange rates between that foreign currency and the Singapore currency on the last day of each month during the period.

Capitalisation and Indebtedness

6. Provide a statement of capitalisation and indebtedness (including the amount of cash and cash equivalents) as of a date no earlier than 60 days prior to the date of lodgment of the prospectus, showing the capitalisation and indebtedness (distinguishing between guaranteed and non-guaranteed, and secured and unsecured, indebtedness) of —

- (a) the relevant corporation; or
- (b) if the relevant corporation is the holding company of a group, the group,

as the case may be, and if applicable, adjusted to reflect the sale of new shares or units of shares, as the case may be, being issued and the intended application of the net proceeds therefrom. For the purposes of this paragraph, indebtedness includes indirect and contingent indebtedness. Disclose any other significant contingent liabilities and the nature of such liabilities.

- (9) Explanatory Note: Amendments to paragraph 6 are proposed to clarify that the amount of cash and cash equivalents should be provided and any significant contingent liabilities should be disclosed.

Use of Proceeds from Offer and Expenses Incurred

7. In the same section, provide the information set out in paragraphs 8 to 13 of this Part.

8. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 9 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant corporation, indicate the amount of the net proceeds that will be raised by the relevant corporation. If none of the proceeds will go to the relevant corporation, provide a statement of that fact.

9. Disclose how the net proceeds raised by the relevant corporation from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors of the relevant corporation, must be raised by the offer of shares or units of shares, as the case may be.

10. For each dollar of the proceeds from the offer that will be raised by the relevant corporation, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

11. If any material part of the proceeds to be raised by the relevant corporation will be used, directly or indirectly, to acquire or refinance the acquisition of an asset, business or entity other than in the ordinary course of business, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition as well as the estimated completion date. Where funds have already been expended for the acquisition, state the amount which has been paid by the relevant corporation, or, if the relevant corporation is a holding company, the amount which has been paid by the relevant corporation or any other entity in the group. If the asset, business or entity has been or will be acquired from an interested person of the relevant corporation, identify the interested person and state how the cost to the relevant corporation is or will be determined as well as whether the acquisition is on an arm's length basis.

12. ~~If any of the proceeds to be raised by the relevant corporation will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.~~

(10) Explanatory Note: Where a material part of the proceeds raised is to be used to finance or refinance an acquisition, relevant information on the acquisition should be provided regardless of whether it is in the ordinary course of business, and whether it is an acquisition of asset, business or entity. Amendments to paragraphs 11 and 12 are proposed to give effect to this position and to clarify the information to be provided.

13. If any material part of the proceeds to be raised by the relevant corporation will be used to discharge, reduce or retire the indebtedness of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

14. In the section containing the information referred to in paragraphs 8 to 13 of this Part or in an adjoining section —

- (a) disclose the amount of discount or commission per share or per unit of share, as the case may be, agreed upon between the underwriter or other placement or selling agent in relation to the offer and the relevant corporation or holder of shares or units of shares in the relevant corporation selling such shares or units of shares;
- (b) provide a reasonably itemised statement of the major expenses incurred in connection with the offer and the issue and distribution of the shares or units of shares, as the case may be, being offered (in absolute terms and as a percentage of the total amount of the offer) that are payable by, or on behalf of, the relevant corporation;
- (c) ~~where any of the shares or units of shares, as the case may be, are being offered by a holder of such shares or units of shares, provide information on the expenses to be paid by, or on behalf of, such holder;~~
- (d) if any expenses are to be paid by a person on behalf of the relevant corporation ~~or holder of shares or units of shares in the relevant corporation selling such shares or units of shares,~~ identify the person; and
- (e) indicate the amount of any expense specifically charged to the subscriber or purchaser of the shares or units of shares, as the case may be, being offered.

The information may be given subject to future contingencies. Where the amount of any item is not known, estimates (identified as such) shall be given.

(11) Explanatory Note: Amendments to paragraph 14 are proposed mainly to remove the requirement for disclosure of expenses paid by selling shareholders as industry commented that such disclosures are not significant to investors' investment decisions.

Risk Factors

15. Disclose, in a specific section with the heading "Risk Factors", the risk factors that are specific to the relevant corporation and its industry as well as the shares or units of shares, as the case may be, being offered, which had materially affected or could materially affect, directly or indirectly, the relevant corporation's financial position and results and business operations, and investments by holders of shares or units of shares, as the case may be, in the relevant corporation. Such risk factors may include those relating to the following:

- (a) the nature of the business which the relevant corporation, or a group to which the relevant corporation belongs, is engaged in or proposes to engage in;
- (b) the countries in which the relevant corporation, or a group to which the relevant corporation belongs, operates;
- (c) the jurisdiction in which the relevant corporation is incorporated (including the extent to which shareholders' interests are protected under the law of that jurisdiction);
- (d) the financial and liquidity positions of the relevant corporation;
- (e) the absence of any operating track record or profitable operations;
- (f) the level of compliance by the relevant corporation with government regulations;
- (g) the possible absence of a liquid trading market for the relevant corporation's shares;
- (h) the extent of reliance on the expertise of management;
- (i) the potential dilution in the net asset value per share to new investors;
- (j) unusual competitive conditions;

(k) impending expiration of material patents, trademarks or contracts;

(l) foreign currency exposures; and

(m) dependence on a limited number of customers or suppliers.

Where possible and appropriate, the extent to which the relevant corporation's financial position or results, or both, as the case may be, had been, or could potentially be, impacted by the risk factor in question should be stated.

(12) Explanatory Note: Amendments to paragraph 15 are proposed to provide further guidance to issuers on the disclosure of risk factors in the prospectus.

PART V

INFORMATION ON THE RELEVANT CORPORATION

History of the Relevant Corporation

1. Provide the following information:
 - (a) the date of incorporation and, where the constituent documents of the relevant corporation provide a limit as to the duration for which the relevant corporation is to exist, such duration;
 - (b) the legal form of the relevant corporation, the legislation under which it operates, and the address and telephone and facsimile numbers of its registered office and principal place of business (if different from those of its registered office);
 - (c) the length of time for which the business of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group has been carried on and the important events in the development of the business;
 - (d) a description, including the amount invested, of each material expenditure on and divestment of capital investment (including any interest in another corporation) by the relevant corporation or, if the relevant corporation is the holding company of a group, by the group between the beginning of the period comprising the 3 most recent completed financial years and the latest practicable date;

- (e) a description of each material expenditure on and divestment of capital investment by the relevant corporation or, if the relevant corporation is the holding company of a group, by the group which is in progress, including the geographical location of the investment and the method of financing;
- (f) any public take-over offer, by a third party in respect of the relevant corporation's shares or by the relevant corporation in respect of the shares of another corporation or the units of a business trust, which has occurred between the beginning of the most recent completed financial year and the latest practicable date, including the price or exchange terms attaching to such offer and the outcome thereof.

Business Overview

2. Provide the following information in respect of the relevant corporation:

- (a) the nature of the operations and principal activities, the main categories of products sold and services performed for each of the 3 most recent completed financial years, any significant new product or service introduced between the beginning of the period comprising the 3 most recent completed financial years and the latest practicable date and, to the extent that the development of the new product or service has been publicly disclosed, the status of such development;
- (b) the principal markets in which the relevant corporation competes, including a breakdown of total revenue by category of activity and geographic market, for each of the 3 most recent completed financial years;
- (c) whether the main business is seasonal in nature and, if so, details of such seasonal nature (including the material effects on its production, sales, inventory, costs and revenues);
- (d) ~~the marketing activities;~~
- (e) whether the business or profitability of the relevant corporation is materially dependent on any patent or licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process;
- (f) any material effect of government regulations on the business, identifying the regulatory body.

3. In paragraph 2 of this Part, a reference to the relevant corporation shall, if the relevant corporation is the holding company of a group, be a reference to the group.

3A. Where the relevant corporation has made any statement regarding its position vis-à-vis its competitors, disclose the basis for such statement.

(13) Explanatory Note: Amendments to paragraph 2 are proposed to elaborate on the information that should be provided, and to remove the requirement for disclosure of marketing activities as industry commented that such information is not significant to investors' investment decision.

New paragraph 3A is proposed to require the issuer to disclose the basis for any statement made regarding its competition. This is to make clear that unsubstantiated statements which are mere puffery should not be included in the prospectus.

Organisational Structure

4. If the relevant corporation is part of a group, briefly describe the group, and the relevant corporation's position within the group. If the relevant corporation is the holding company of a group, provide information on every subsidiary, subsidiary entity, associated company and associated entity of the relevant corporation, being a subsidiary, a subsidiary entity, an associated company or an associated entity, as the case may be, the absolute amount of the net assets, net liabilities or profit or loss before tax of which accounts for 10% or more of the absolute amount of the net assets, net liabilities or profit or loss before tax, respectively, of the group for any of the 3 most recent completed financial years. Such information shall include the name, country of incorporation or constitution, principal place of business, principal activities, proportion of ownership interest of the relevant corporation and, if different, proportion of voting power held by the relevant corporation.

Fixed Assets

5. Provide information regarding any material tangible fixed asset of the relevant corporation, including any leased property and any major encumbrances thereon. The information provided must include —

(a) in the case of property, a description of ~~the size and use of~~ the property;
(including the size, tenure and use of the property) and —

(i) where the property will be acquired or is beneficially owned by the relevant corporation and the relevant corporation has not obtained legal title to the property at the date of registration of the prospectus by the Authority, a statement of such fact, the reasons why legal title has not been obtained, the potential consequential impact on the relevant corporation's operations and, if applicable, the expected date by which the legal title will be transferred to the relevant corporation; or

(ii) where the property is leased by the relevant corporation, the identity of the lessor, the duration of the lease, the rent payable and if the lease may be unilaterally terminated by the lessor, a statement of such fact and the potential consequential impact on the relevant corporation's operations;

(b) in the case of a production facility, the productive capacity and extent of utilisation of the facility for each of the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, or if the productive capacity or extent of utilisation for any of those financial years cannot be determined or is not meaningful, an explanation why;

(c) how the fixed asset is held;

(d) the products produced; and

(e) the location.

6. Describe any regulatory requirements or environmental issues that may ~~materially affect the relevant corporation's utilisation of~~ affect the relevant corporation's utilisation of a material tangible fixed asset. With regard to any material plan to construct, expand or improve a facility, describe the nature of and reason for the plan, and give an estimate of the amount of expenditure, including the amount already expended. In addition, disclose the method of financing the plan, the estimated dates of commencement and completion of the plan, and any anticipated increase in production capacity after completion.

7. In paragraphs 5 and 6 of this Part, a reference to the relevant corporation shall, if the relevant corporation is the holding company of a group, be a reference to the group.

(14) Explanatory Note: Amendments to paragraphs 5 and 6 are proposed mainly to elaborate or clarify the information that should be provided.

PART VI

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

1. Information required under this Part shall be provided in respect of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group.

Operating Results

2. In respect of each of the 2 most recent completed financial years for which audited financial statements have been included in the prospectus and any interim period for which interim financial statements have been included in the prospectus, provide a narrative of the extent to which any material change in net sales or revenue, as compared to the previous financial year or previous corresponding interim period, is attributable to a change in the price or volume of products being sold or services being performed or to the introduction of a new product or service as compared to the previous corresponding period. Where the change in price or volume of products sold or services performed is due to any particular reason or factor, provide details of such reason or factor.

3. In respect of each financial year for which audited financial statements have been included in the prospectus and any interim period for which interim financial statements have been included in the prospectus, provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant corporation, and indicate the extent to which such profit or loss was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

4. If the impact of foreign currency fluctuations is material, state such impact and the extent to which foreign currency exposure and investment is hedged by currency borrowings or other hedging instruments.

Liquidity and Capital Resources

5. Provide the following information regarding liquidity (both short and long term):

- (a) a description of the material sources of liquidity, whether internal or external, and a brief discussion of any material unused sources of liquidity, as of the latest practicable date, including a statement by the directors of the relevant corporation as to whether, in their reasonable opinion, the working capital available to the relevant corporation or, if the relevant corporation is the holding company of a group, to the group, as at the date of lodgment of the prospectus is sufficient for at least the next 12 months ~~present requirements~~ and, if insufficient, how the additional working capital considered by the directors to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgment of the prospectus shall not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an explicit condition of the offer that minimum net proceeds are to be raised and that the application monies will be returned to investors if the minimum net proceeds are not raised;
- (b) an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —
- (i) each financial year for which audited cash flow statements have been included in the prospectus; and
 - (ii) if an interim cash flow statement has been included in the prospectus, the period covered by the interim cash flow statement;
- (c) the nature and extent of any legal, financial or economic restriction on the ability of a subsidiary or subsidiary entity of the relevant corporation to transfer funds to the relevant corporation in the form of cash dividends, loans or advances, and the impact such restrictions have had or are expected to have on the ability of the relevant corporation to meet its cash obligations;
- (d) the level of borrowings as at the end of the most recent completed financial year or, if any interim financial statements have been included, the period covered by the interim financial statements, the extent to which the borrowings are at a fixed rate, and the maturity profile of the borrowings and committed borrowings facility, with a description of any restriction on its use; and
- (e) if the relevant corporation or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit

arrangement or bank loan which could materially affect the relevant corporation's financial position and results or business operations, or the investments by holders of shares or units of shares, as the case may be, in the relevant corporation —

- (i) a statement of that fact;
- (ii) details of the credit arrangement or bank loan; and
- (iii) any action taken or to be taken by the relevant corporation or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).

6. Provide information on the use of any financial instrument for hedging purposes, including the nature of exposure, the type of financial instrument used, the hedging policy adopted by the relevant corporation and the control procedures put in place to ensure that the hedging policy is adhered to.

7. Provide information on any material commitment for capital expenditures as of the latest practicable date and indicate the general purpose of such commitment and the anticipated source of funds needed to fulfil such commitment.

(15) Explanatory Note: Amendments proposed to be made to paragraphs 2 and 6 are mainly to elaborate on the information that should be provided.

Amendments to paragraph 5 are proposed to clarify the time period over which working capital adequacy should be considered. In proposing a 12-months period, MAS took into account the practices in the UK/EU and the time horizon which directors have to consider when assessing the appropriateness of the going concern assumption in preparing annual reports. In addition, amendments are proposed to clarify the circumstances under which net proceeds from the offer can be taken into consideration by the directors when assessing the adequacy of the issuer's working capital.

7A. Where the amount of trade receivables is material, provide information on the relevant corporation's credit policy, the circumstances under which credit terms may be extended, the average collection period for each of the 3 most recent completed financial years and, if any interim financial statements have

been included in the prospectus, the interim period, and any significant exposure to doubtful trade receivables for each of the 3 most recent completed financial years and, if any interim financial statements have been included in the prospectus, the interim period. If the amount of trade receivables as at the end of the most recent completed financial year or, if interim financial statements have been included, as at the end of the interim period, was significant, state the amount which has been collected as of the latest practicable date.

(16) Explanatory Note: Where trade receivables are material, MAS considers it is important for the issuer to disclose its credit policy, how credit terms may be extended and the extent to which its outstanding trade receivables have been collected. The new paragraph 7A is introduced to formalise such disclosure requirements.

Research and Development

8. Where research and development activities are material to the relevant corporation's business, Provide a description of the ~~material~~ research and development policies of the relevant corporation for the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, including the amount spent on research and development activities and the percentage of the net sales or revenue of the relevant corporation in each of those years and the interim period spent on such activities.

(17) Explanatory Note: Amendments to paragraph 8 are proposed to clarify that details relating to the issuer's research and development policies and expenditures will be required only if such activities are material to the business of the issuer. The requirement is also extended to cover research and development expenditure in the interim period, if applicable.

Trend Information and Profit Forecast or Profit Estimate

9. Discuss ~~—, for at least the current financial year,~~
- (a) the business and financial prospects for the next 12 months from the latest practicable date; and

(b) any significant recent trends in production, sales and inventory, and in the costs and selling prices of products and services since the end of the most recent completed financial year or, if any interim financial statements have been included, the period covered by the interim financial statements; and, as well as

(c) any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that would cause financial information disclosed in the prospectus to be not necessarily indicative of the future operating results or financial condition of the relevant corporation.

~~If~~ Where there are no such trends, uncertainties, demands, commitments or events as described in paragraph 9(b) or 9(c), provide an appropriate statement to that effect.

(18) Explanatory Note: Amendments to paragraph 9 are proposed to require the issuer to discuss its business and financial prospects for the next 12 months from the latest practicable date. Amendments have also been proposed to make clear that there are two limbs to the requirement on disclosure of trend information, namely, a discussion on any significant recent trends which the issuer has observed (historical), and disclosure of any known trends, uncertainties, demands, commitments or events which it considers may have an impact on its financial performance or position for at least the current year (forward-looking).

10. Discuss the state of the order book since the end of the most recent period for which annual or interim financial statements have been provided under Part IX of this Schedule. Where such information is not relevant to the business of the relevant corporation, provide an appropriate statement to that effect and the reason for this.

11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.

12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors of the relevant corporation have based their profit forecast or profit estimate, as the case may be.

13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant corporation as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 12 of this Part, is consistent with the accounting policies adopted by the relevant corporation, and is presented in accordance with the accounting standards adopted by the relevant corporation in the preparation of its financial statements.

14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant corporation, provide in addition to the statement referred to in paragraph 13 of this Part —

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, —
 - (i) that the profit forecast has been stated by the directors of the relevant corporation after due and careful enquiry and consideration; or
 - (ii) to the effect that, on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part, no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant corporation, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

(19) Explanatory Note: Amendments to paragraph 14 are proposed to clarify that an opinion from the issue manager or any authoritative person on the reasonableness of the assumptions for the profit forecast could also be provided in the case of a current year profit forecast.

15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant corporation, provide in addition to the statement referred to in paragraph 13 of this Part —

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant corporation, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

PART VII

SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY EXECUTIVES AND EMPLOYEES

Directors and Key Executives

1. Provide the following information with respect to each of the directors and key executives of the relevant corporation and any employee of the group, such as a scientist, researcher or designer, upon whose work the relevant corporation is dependent:

- (a) name, details of past working experience, educational and professional qualifications, if any, and areas of expertise or responsibility in the relevant corporation or, if the relevant corporation is the holding company of a group, in the group;
- (b) each principal business activity performed outside the relevant corporation or, if the relevant corporation is the holding company of a group, the group and each principal directorship held at present or in the last 5 years other than in the relevant corporation;
- (c) age;
- (d) the nature of any family relationship —

- (i) between any of the persons named above; or
- (ii) between any of the persons named above and any substantial shareholder of the relevant corporation;
- (e) any arrangement or understanding with a substantial shareholder, customer or supplier of the relevant corporation or other person, pursuant to which any person referred to above was selected as a director or key executive of the relevant corporation.

Management Reporting Structure

2. Provide the management reporting structure of the relevant corporation.

Interest in Shares

3. Provide the names of each substantial shareholder and director and the chief executive officer of the relevant corporation, and state the number and percentage of shares of each class in which each of them has an interest, ~~whether direct or deemed under section 4 of the Act,~~ as of the latest practicable date and immediately after the offer. Disclose any significant change in the percentage of ownership in the last 3 years prior to the latest practicable date. For purposes of this paragraph, section 4 (other than subsection (6)) of the Act shall apply for determining whether a person has an interest in the shares of the relevant corporation; and in determining whether a person deemed to have an interest for the purposes of subsection (5) of that section, a person shall be treated as an associate of another person if the first-mentioned person is —

- (a) a subsidiary of the second-mentioned person;
- (b) a person who is accustomed or is under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the second-mentioned person in relation to those shares; or
- (a)(c) a corporation which is, or the directors of which are, accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the second-mentioned person in relation to those shares.

(20) Explanatory Note: The amendments to paragraph 3 are proposed to reflect the disclosure of interest provisions under Part VII of the Securities and Futures Act.

4. Indicate whether the shares in which the persons referred to in paragraph 3 of this Part have interests carry different voting rights from those shares being offered, or provide an appropriate negative statement.

5. To the extent known to the relevant corporation, state whether the relevant corporation is directly or indirectly owned or controlled, whether severally or jointly, by any person or government, and if so, give the name of such person or government, and briefly describe the nature of such control, including the amount and proportion of capital held giving a right to vote.

6. Disclose any contractual undertaking provided by any party to observe a moratorium on the transfer or disposal of his interest, within the meaning of section 4 of the Act, in the shares of the relevant corporation.

7. Describe any known arrangement the operation of which may, at a subsequent date, result in a change in control of the relevant corporation.

Material Background Information

8. Disclose the following matters concerning a director, key executive or controlling shareholder of the relevant corporation:

- (a) whether at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner;
- (b) whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
- (c) whether there is any unsatisfied judgment against him;
- (d) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
- (e) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has

been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

- (f) whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (g) whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (i) whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;
- (j) whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of —
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust;

- (k) whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Compensation for Services

9. Disclose, in bands of up to \$250,000 —

- (a) the amount of compensation paid by the relevant corporation or its subsidiary or subsidiary entity for each of the 2 most recent completed financial years; and
- (b) the estimated amount of compensation paid and to be paid by the relevant corporation or its subsidiary or subsidiary entity for the whole of the current financial year,

to —

(i) each director of the relevant corporation;

~~(i)~~(ii) the chief executive officer of the relevant corporation; and

~~(ii)~~(iii) each of the top 5 (in terms of amount of compensation) key executives (not being the chief executive officer or directors) of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group,

for services rendered by such a person in all capacities to the relevant corporation or its related corporation or related entity.

10. For the purpose of paragraph 9 of this Part —

- (a) compensation includes any benefit in kind; and
- (b) compensation that has already been paid includes any deferred compensation accrued for the financial year in question and payable at a later date.

11. For the purposes of paragraph 9(b) of this Part, any estimated amount of compensation that is to be paid pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement, but which has not yet been paid, may be excluded from the calculation of the estimated amount of compensation in respect of the whole of the current financial year, provided that that fact is stated.

12. If any portion of the compensation was paid or is to be paid pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or

arrangement, identify the person to whom such compensation was or is to be paid and briefly describe such plan, agreement or arrangement and the basis of such person's participation in the plan, agreement or arrangement. For persons who are not directors or controlling shareholders, disclosure of their bonus or profit-sharing plan or any other profit-linked agreement or arrangement need not be provided on an individual basis if —

- (a) the total amount paid or which is to be paid pursuant to any such plan, agreement or arrangement to such persons, on an individual basis, had not accounted or would not account for more than 1% of the profit before tax of the relevant corporation, or if the relevant corporation is the holding company of a group, in any financial year; and
- (b) the maximum aggregate amount that was paid or is to be paid to such persons under such plans, agreements or arrangements in each financial year is disclosed.

(21) Explanatory Note: MAS has received feedback that the requirement to disclose profit-sharing plans, agreements or arrangements in the prospectus may compromise staff recruitment and retention efforts of issuers, particularly in highly competitive industries where poaching of skilled or experienced key executives by competitors is commonplace. MAS has no objection to issuers not disclosing details of an individual's profit-sharing plan provided that he is not a director or controlling shareholder and the profit-sharing portion paid or to be paid to him had or would not exceed 1% of profit before tax. However, MAS considers that the maximum aggregate amount paid or to be paid under such profit sharing plans should be disclosed, so as to give investors an indication on the extent of such costs to the company. Amendments to paragraph 12 are proposed to give effect to this position.

13. If any portion of the compensation was paid or is to be paid in the form of stock options, identify the persons to whom such compensation was or is to be paid and provide the description and number of shares covered by the options, the exercise price, the option purchase price (if any), the period during which the options are exercisable and the expiration date of the options.

14. State the total amounts set aside or accrued by the relevant corporation or its subsidiary or subsidiary entity to provide pension, retirement or similar benefits, if any.

15. Provide details of any existing or proposed service contract entered or to be entered into by the directors of the relevant corporation with the relevant corporation or its subsidiary or subsidiary entity which provide for benefits upon termination of employment, or an appropriate negative statement.

16. For a service contract referred to in paragraph 15 of this Part with a fixed term, state the term of each such contract, the unexpired term and the name of the relevant director.

16A. Disclose, in incremental bands of up to \$50,000 each, the amount of compensation paid by the relevant corporation or its subsidiary or subsidiary entity for each of the 2 most recent completed financial years to each employee who is an immediate family member of a director or chief executive officer of the relevant corporation. If such information cannot be provided, explain why.

(22) Explanatory Note: The Code of Corporate Governance 2012 states that for transparency, the annual remuneration report should disclose the details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year. The code further provides that disclosure of remuneration should be in incremental bands of S\$50,000 and the company need only show the applicable bands. The proposed new paragraph 16A is to require such disclosures to be made in the prospectus, in line with the requirement under the Code of Corporate Governance 2012.

Board Practices

17. With respect to each of the directors of the relevant corporation, state the date of expiration of the current term of office, if applicable, and the period for which the person has served in that office.

18. In respect of the current financial year, provide details relating to the relevant corporation's audit committee, remuneration committee and nomination committee, if any, including the names of committee members and a summary of the terms of reference under which each committee operates.

Employees

19. Provide either —

- (a) the average number of employees of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group for each of the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, and the reason for any change in the average number of such employees, if material; or
- (b) the number of employees of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group as at the end of each of the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, and the reason for any change in the number of such employees, if material,

and, if possible, a breakdown of persons employed by activity and geographic location. Disclose information regarding the relationship between management and labour unions. If the relevant corporation or, if the relevant corporation is the holding company of a group, the group employs a significant number of temporary employees, disclose the average number of temporary employees in respect of the most recent completed financial year.

(23) Explanatory Note: Amendments to paragraph 19 are proposed to clarify that information on the number of employees should also be provided for the interim period, if applicable.

Share Options

20. Unless otherwise disclosed pursuant to paragraphs 9 and 13 of this Part(Compensation for Services), provide information as to the options on the shares of the relevant corporation granted to each of the directors and the chief executive officer of the relevant corporation, including, in respect of each option

- (a) the description and number of shares covered by the option;
- (b) the exercise price;
- (c) the option purchase price (if any);
- (d) the period during which the option is exercisable; and (e) the expiration date of the option.

21. Describe any arrangement which involves the employees of the relevant corporation and, if the relevant corporation is a holding company, the directors or employees of a subsidiary, a subsidiary entity, an associated company or an associated entity of the relevant corporation, in the capital of the relevant corporation, including any arrangement that involves the issue or grant of options or shares or any other securities or securities-based derivatives contracts of the relevant corporation.

PART VIII

INTERESTED PERSON TRANSACTIONS AND CONFLICT OF INTERESTS

Interested Person Transactions

1. Provide the following information with respect to each transaction or loan, or proposed transaction or loan, between the beginning of the 3 most recent completed financial years and the latest practicable date, and between the entity at risk and an interested person of the relevant corporation, which are material in the context of the offer:

- (a) the nature of the transaction and the quantum involved; and
 - (b) the amount of the loan (including a guarantee of any kind) made by the entity at risk or interested person to or for the benefit of the interested person or entity at risk respectively, such information to include the largest amount outstanding during the period covered, the amount outstanding as at the latest practicable date, the nature of the loan and the transaction in which it was incurred, and the interest rate on the loan.
2. For each transaction referred to in paragraph 1 of this Part —
- (a) that has been completed or will be completed at or before the close of the offer, disclose whether or not the transaction has been or will be carried out on an arm's length basis;
 - (b) that will continue after the close of the offer, disclose —
 - (i) whether or not the transaction has been carried out on an arm's length basis; and
 - (ii) the procedure undertaken or which will be undertaken to ensure that such transaction will be carried out on an arm's length basis; or

- (c) that has been proposed, disclose the procedure which will be undertaken to ensure that such transaction will be carried out on an arm's length basis.
3. For each loan referred to in paragraph 1 of this Part —
- (a) that has been repaid or will be repaid at or before the close of the offer, disclose whether or not the loan was made on an arm's length basis;
 - (b) that is to be repaid, whether partly or wholly, after the close of the offer, disclose —
 - (i) whether or not the loan was made on an arm's length basis; and
 - (ii) when the loan is intended or required to be repaid; or
 - (c) that has been proposed, disclose the procedure which will be undertaken to ensure that such loan will be made on an arm's length basis.
4. Where transactions or loans between the entity at risk and an interested person of the relevant corporation are similar and recurring in nature or could otherwise be grouped in a meaningful manner, the information required with respect to the transactions or loans in paragraphs 1, 2 and 3 of this Part should be provided on an aggregate basis, if the aggregate of these transactions or loans are material in the context of the offer.

Conflict of Interests

5. Where a director or controlling shareholder of the relevant corporation or his associate has an interest in any entity carrying on the same business or dealing in similar products as the relevant corporation or, if the relevant corporation is the holding company of a group, as the group, disclose —
- (a) the name of that entity;
 - (b) the name of the director or controlling shareholder involved;
 - (c) the nature and extent of his interest in that entity and the extent to which he is involved in the management of that entity either directly or indirectly; and
 - (d) whether any conflict of interests thereby arising has been or is to be resolved or mitigated and, if so, how it has been or is proposed to be resolved or mitigated.

Interests of Experts

6. If an expert named in the prospectus —
- (a) is employed on a contingent basis by the relevant corporation or its subsidiary or subsidiary entity;
 - (b) has a material interest, whether direct or indirect, in the shares of the relevant corporation or its subsidiary, or in the equity interests of its subsidiary entity; or
 - (c) has a material economic interest, whether direct or indirect, in the relevant corporation, including an interest in the success of the offer,
- describe the nature and terms of such contingency or interest.

Interests of Underwriters or Financial Advisers

7. If, in the reasonable opinion of the directors, any underwriter, ~~or other~~ financial adviser, or consultant engaged by the relevant corporation in relation to the offer has a material relationship with the relevant corporation, describe the nature and terms of such relationship.

(24) Explanatory Note: Amendments to paragraph 7 are proposed to clarify that the requirement shall extend to any consultant engaged by the issuer to assist in its offering and listing process.

PART IX

FINANCIAL INFORMATION

- 1.—(1) In this Part, unless the context otherwise requires —

“annual financial statements” means any annual financial statements of the relevant corporation or, where the relevant corporation is a holding company, any annual consolidated financial statements of the relevant corporation or any annual combined financial statements of the group;

“auditor” or “auditors” includes, where the relevant corporation has engaged any auditor other than its own in relation to any requirement under this Part, that auditor;

“common control business” means a business which —

- (a) at the time of registration of the prospectus, had been acquired by the relevant corporation or any other entity in the group; and
- (b) immediately prior to its acquisition by the relevant corporation or other entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant corporation;

“common control business trust” means a business trust which —

- (a) at the time of registration of the prospectus, had been acquired by the relevant corporation or any other entity in the group; and
- (b) immediately prior to its acquisition by the relevant corporation or other entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant corporation;

“common control entity” means an entity which —

- (a) at the time of registration of the prospectus, had been acquired by the relevant corporation or any other entity in the group; and
- (b) immediately prior to its acquisition by the relevant corporation or other entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant corporation;

“group” means the group of which the relevant corporation is the holding company;

“interim financial statements” means any interim financial statements of the relevant corporation or, where the relevant corporation is a holding company, any interim consolidated financial statements of the relevant corporation or any interim combined financial statements of the group;

“pro forma financial statements” means any pro forma financial statements of the relevant corporation or, where the relevant corporation is a holding company, of the group;

“underlying financial statements”, in relation to any financial statements which have been restated pursuant to paragraph 8(b)(i) of this Part (referred to in this definition as the restated financial statements), means the financial statements that form the basis for the restated financial statements.

(2) For the purposes of this Part, a person controls an entity, a business or a business trust if —

- (a) subject to sub-paragraph (b), under the accounting standards adopted by the relevant corporation in the preparation of its annual financial statements; or
- (b) where those annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, under the body of accounting standards in accordance with which those annual financial statements have been restated,

had the relevant corporation been a holding company, the person would have been treated, in the preparation of any consolidated financial statements of the relevant corporation or any combined financial statements of the group, as having the capacity to determine the outcome of decisions on the financial and operating policies relating to the entity, business or business trust.

Audited Financial Information

2. Subject to paragraphs 3 and 7 of this Part, provide —

- (a) in a case where the relevant corporation or, if the relevant corporation is a holding company, the relevant corporation or any other entity in the group has acquired any common control entity, common control business or common control business trust between the beginning of the period comprising the 3 most recent completed financial years of the relevant corporation or group, as the case may be, and the date of registration of the prospectus by the Authority —
 - (i) the annual financial statements of the relevant corporation or, if the relevant corporation is a holding company, its annual consolidated financial statements or the annual combined financial statements of the group for the 3 most recent completed financial years; or
 - (ii) where —
 - (A) the relevant corporation has been in existence for less than 3 completed financial years or, if the relevant corporation is a holding company, neither the relevant corporation nor any other entity in the group has been in existence for at least 3 completed financial years; and

(B) no common control entity, common control business or common control business trust has been held and controlled, whether directly or indirectly, by a person who controls the relevant corporation as at the end of the earliest of the 3 most recent completed financial years,

the annual financial statements of the relevant corporation or, if the relevant corporation is a holding company, its annual consolidated financial statements or the annual combined financial statements of the group for each financial year beginning with the financial year in which —

(AA) the relevant corporation or, if the relevant corporation is a holding company, the relevant corporation or any other entity in the group came into existence; or

(BB) any of the common control entities, common control businesses or common control business trusts was first held and controlled by a person who controls the relevant corporation,

whichever is earlier; or

(b) in any other case, the annual financial statements of the relevant corporation or, if the relevant corporation is a holding company, its annual consolidated financial statements for the 3 most recent completed financial years or, where the relevant corporation has been in existence for less than 3 completed financial years, for each of the financial years during which it has been in existence.

(25) Explanatory Note: Amendments to paragraph 2 are proposed for clarity.

3. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year —

(a) the annual financial statements for the most recent completed financial year need not be provided under paragraph 2 of this Part;

(b) a reference to the 3 most recent completed financial years in paragraphs 2 and 7 of this Part shall be construed as a reference to the 3 completed financial years immediately preceding the most recent completed financial year; and

- (c) a reference to the most recent completed financial year in paragraphs 2 and 5 of this Part shall be construed as a reference to the financial year immediately preceding the most recent completed financial year.

4. The annual financial statements to be provided under paragraph 2(a) of this Part shall be prepared as if the common control entities, common control businesses or common control business trusts were, at the time they were held and controlled, whether directly or indirectly, by a person who controls the relevant corporation, a part of the relevant corporation or the group, as the case may be, for the relevant financial periods.

5. If any annual financial statements to be provided under paragraph 2 of this Part relate to a period other than 12 months due to a change in the financial year end of the relevant corporation or the group, as the case may be, the annual financial statements in respect of that financial year and the financial years preceding that financial year shall be provided on a restated 12-month basis, so that the financial year end for each of the restated financial statements corresponds to the financial year end for the most recent completed financial year.

6. For the avoidance of doubt, where the relevant corporation or any other entity in the group has acquired any asset or any entity, business or business trust (other than a common control entity, common control business or common control business trust), the annual financial statements to be provided under paragraph 2 of this Part shall include such asset, entity, business or business trust only from the date of its acquisition by the relevant corporation or the other entity in the group, as the case may be.

7. The annual financial statements of the relevant corporation or the group, as the case may be, need not be provided under paragraph 2 of this Part in respect of any financial year in which —

- (a) the relevant corporation and, if the relevant corporation had acquired any common control business between the beginning of the period comprising the 3 most recent completed financial years and the date of registration of the prospectus by the Authority, all such common control businesses; or
- (b) where the relevant corporation is a holding company, the group and, if the relevant corporation or any other entity in the group had acquired any common control entity, common control business or common control business trust between the beginning of the period comprising the 3 most recent completed financial years and the date of registration of the prospectus by the Authority, all such common control entities, common

control businesses and common control business trusts, were dormant or had not commenced any activity as at the end of that financial year.

8. Each of the annual financial statements to be provided under paragraph 2 of this Part must be —

- (a) prepared in accordance with the ~~[●New Framework]Financial Reporting Standards (referred to in this Part as FRS)~~, the International Financial Reporting Standards (referred to in this Part as IFRS) or the US Generally Accepted Accounting Principles (referred to in this Part as US GAAP); or
- (b) where the annual financial statements are not prepared in accordance with any body of accounting standards referred to in sub-paragraph (a) —
 - (i) restated in accordance with any body of accounting standards referred to in sub-paragraph (a);
 - (ii) if no material adjustments are required to restate the annual financial statements in accordance with any body of accounting standards referred to in sub-paragraph (a), accompanied by an opinion from the auditors that this is so; or
 - (iii) prepared in accordance with such other body of accounting standards as may be approved in any particular case by the Authority.

(26) Explanatory Note: Singapore incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore (“Listed Singapore Companies”), are required by the Accounting Standards Council to apply a new Singapore financial reporting framework (“New Framework”) (that is identical to IFRS) for financial years beginning on or after 1 January 2018. Accordingly, MAS is proposing to replace existing references to “FRS” with “New Framework”. These amendments are intended to facilitate comparability between financial information (including annual financial statements) in prospectuses accompanying offers by Listed Singapore Incorporated Companies with financial information available post offering.

8A. Notwithstanding paragraph 8, an annual financial statement to be provided under paragraph 2 of this Part may be prepared in accordance with the Financial Reporting Standards (referred to in this Part as FRS), provided that —

- (a) the financial year covered by that annual financial statement begins before 1 January 2018;
- (b) where the financial years covered by all the annual financial statements to be provided under paragraph 2 of this Part begin before 1 January 2017, the prospectus discloses the following —
 - (i) the qualitative information on the prospective changes from FRS to [●New Framework], including a discussion of the impact that initial application of the [●New Framework] is expected to have on the financial statements;
 - (ii) an audited reconciliation of net profit after tax of the most recent completed financial year prepared in accordance with FRS, to [●New Framework]; and
 - (iii) an audited reconciliation of net assets of the most recent completed financial year prepared in accordance with FRS, to [●New Framework]; and
- (c) where the financial year covered by one of the annual financial statements to be provided under paragraph 2 of this Part begins on or after 1 January 2017 but before 1 January 2018, the prospectus discloses the following —
 - (i) the annual financial statements covering the financial years beginning before 1 January 2017, if any, prepared in accordance with FRS;
 - (ii) the annual financial statement covering the financial year beginning on or after 1 January 2017 but before 1 January 2018 prepared in accordance with FRS, and accompanied by —
 - (A) an audited reconciliation of the statement of profit or loss and other comprehensive income prepared in accordance with FRS, to [●New Framework];
 - (B) an audited reconciliation of the statement of cash flows prepared in accordance with FRS, to [●New Framework];
 - (C) an audited reconciliation of the statement of financial position prepared in accordance with FRS, to [●New Framework];
 - (D) an audited reconciliation of the statement of changes in equity prepared in accordance with FRS, to [●New Framework];

(E) notes to describe any differences between the financial figures prepared in FRS and those in the [●New Framework], and

(±)(iii) the annual financial statements covering the financial years beginning on or after 1 January 2018, if any, prepared in accordance with the [●New Framework].

(27) Explanatory Note: New paragraph 8A is proposed to provide companies that currently prepare annual financial statements in FRS and that are targeting to issue publicly traded equity shortly after the New Framework comes into effect, with transitional relief from restating up to three years of historical annual financial statements from FRS to the New Framework pursuant to the amendments in Paragraph 8. Companies have the option of using the transitional relief, or restating up to three years of historical annual financial statements.

9. State, in respect of each financial year, the body of accounting standards that was adopted by the relevant corporation in the preparation of the annual financial statements to be provided under paragraph 2 of this Part for that financial year and, where the annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the body of accounting standards in accordance with which the underlying financial statements have been restated.

10. Each of the annual financial statements to be provided under paragraph 2 of this Part or, where the annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the underlying financial statements must be audited in accordance with —

- (a) the Singapore Standards on Auditing (referred to in this Part as SSA), the International Standards on Auditing (referred to in this Part as ISA) or the US Generally Accepted Auditing Standards (referred to in this Part as US GAAS);
- (b) any body of auditing standards which is not materially different from any body of auditing standards referred to in sub-paragraph (a) to the extent applicable to the audit of the annual financial statements; or

- (c) such other body of auditing standards as may be approved in any particular case by the Authority.

11. State, in respect of each financial year, the body of auditing standards that was adopted by the auditors of the relevant corporation in the audit of the annual financial statements to be provided under paragraph 2 of this Part for that financial year or, where the annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the body of auditing standards that was adopted in the audit of the underlying financial statements.

12. Where any annual financial statements to be provided under paragraph 2 of this Part or, if the annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the underlying financial statements are audited in accordance with any body of auditing standards referred to in paragraph 10(b) of this Part, include in the prospectus an opinion from the auditors of the relevant corporation that there are no material differences between the body of auditing standards adopted in the audit of the annual financial statements or underlying financial statements, as the case may be, and the SSA, ISA or US GAAS to the extent applicable to the audit of the annual financial statements or underlying financial statements.

13. Subject to paragraph 14 of this Part, each of the annual financial statements to be provided under paragraph 2 of this Part shall be accompanied by —

- (a) the audit report in respect of the annual financial statements or, if the auditors have refused to issue an audit report in respect of the annual financial statements, a statement highlighting and providing the reasons for the auditors' refusal;
- (b) a statement identifying the auditors who audited the annual financial statements and the membership or memberships of each auditor in any professional body or bodies; and
- (c) if the audit report in respect of the annual financial statements contains any material qualification, modification or disclaimer, a statement highlighting and providing the reasons for the qualification, modification or disclaimer in the prospectus.

14. Where any annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, state that fact and include in the prospectus in respect of each of the restated financial statements —

- (a) an opinion from the auditors of the relevant corporation that nothing has come to their attention that causes them to believe that the restated annual

financial statements have not been properly restated in all material respects in accordance with a body of accounting standards referred to in paragraph 8(a) of this Part;

- (b) a statement of reconciliation between the restated annual financial statements and the audited underlying financial statements;
- (c) a statement identifying the auditors who audited the underlying financial statements and the membership or memberships of each auditor in any professional body or bodies;
- (d) a statement that the underlying financial statements have been audited in accordance with the relevant auditing standards; (e) either of the following:
 - (i) a statement that the audit report for the underlying financial statements does not contain any material qualification; or
 - (ii) if the audit report for the underlying financial statements contains any material qualification, modification or disclaimer, a statement setting out in full and providing the reasons for the qualification, modification or disclaimer, as the case may be;
- (f) a statement that the auditor for the underlying financial statements has given, and has not withdrawn, his written consent to the issue of the prospectus with the inclusion of the statements referred to in sub-paragraphs (c), (d) and (e) in the form and context in which they are included in the prospectus; and
- (g) a statement that copies of the audited underlying financial statements are available for inspection at a specified place in Singapore for a period of at least 6 months from the date of registration of the prospectus by the Authority.

15. The annual financial statements to be provided under paragraph 2 of this Part or, where annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the underlying financial statements shall be made up to a date not earlier than 12 months before the date of lodgment of the prospectus.

Interim Financial Information

16. If the date of lodgment of the prospectus is more than 6 months after the end of the most recent completed financial year for which audited financial statements have been prepared, provide the interim financial statements of the

relevant corporation or, where the relevant corporation is a holding company, of the group in accordance with paragraphs 17, 18 and 19 of this Part.

17. If the date of lodgment of the prospectus is more than 6 months but ~~less not more~~ than 9 months after the end of the most recent completed financial year for which audited financial statements have been prepared —

- (a) the interim financial statements to be provided under paragraph 16 of this Part shall cover at least the first 3 months of the current financial year;
- (b) the interim financial statements shall be reviewed by the auditors of the relevant corporation but need not be audited; and
- (c) the fact that the interim financial statements have only been reviewed but not audited shall be stated.

18. If the date of lodgment of the prospectus is more than 9 months but ~~less not more~~ than 12 months after the end of the most recent completed financial year for which audited financial statements were prepared —

- (a) the interim financial statements to be provided under paragraph 16 of this Part shall cover at least the first 6 months of the current financial year;
- (b) the interim financial statements shall be reviewed by the auditors of the relevant corporation but need not be audited; and
- (c) the fact that the interim financial statements have only been reviewed but not audited shall be stated.

19. If the date of lodgment of the prospectus is more than 12 months but ~~less not more~~ than 15 months after the end of the most recent completed financial year for which audited financial statements were prepared —

- (a) the interim financial statements to be provided under paragraph 16 of this Part shall cover at least the first 9 months of the most recent completed financial year;
- (b) the interim financial statements for at least the first 3 months of the most recent completed financial year shall be audited;
- (c) the interim financial statements for the remaining months of the period covered by the interim financial statements referred to in subparagraph (a) most recent completed financial year shall be reviewed by the auditors of the relevant corporation but need not be audited; and
- (d) the fact that the interim financial statements for the remaining months of the period covered by the interim financial statements referred to in

subparagraph (a) most recent completed financial year have only been reviewed but not audited shall be stated.

(28) Explanatory Note: Amendments to paragraphs 2 and 17 to 19 are proposed for clarity.

20. The interim financial statements provided shall be prepared in a format similar to the format of the audited financial statements for the most recent completed financial year provided under paragraph 2 read with paragraphs 8 and 8A of this Part.

(29) Explanatory Note: Amendments to paragraph 20 are proposed for clarity.

20A. Notwithstanding paragraph 20, the interim financial statements provided shall be prepared in accordance with the [●New Framework], if:

(a) the audited financial statements for the most recent completed financial year provided under paragraph 2 read with paragraphs 8 and 8A of this Part are prepared in accordance with FRS; and

(a)(b) the interim financial statements cover a period beginning on or after 1 January 2018.

(30) Explanatory Note: New paragraph 20A is proposed to clarify that interim financial statements covering periods beginning on or after 1 January 2018, and its comparative, should be prepared in accordance with the New Framework.

21. Include the following in the interim financial statements:

(a) comparative figures (other than balance sheet figures) for the same period in the preceding financial year in respect of the relevant corporation or, if the relevant corporation is a holding company, of the group, unless annual financial statements of the relevant corporation or group, as the case may be, have not been provided for the preceding financial year; and

- (b) selected note disclosures that explain any event or change which is significant to the understanding of any change in the financial position and results of the relevant corporation or, if the relevant corporation is a holding company, of the group since the last annual reporting date.

22. Include in the prospectus —

- (a) a report by the auditors of the relevant corporation on the audit of the interim financial statements; or
- (b) if the interim financial statements are not audited, a report by the auditors on the review of the interim financial statements.

Pro Forma Financial Information

23. Where —

- (a) the relevant corporation, or, if the relevant corporation is a holding company, the relevant corporation or any other entity in the group, has —

- (i) acquired or disposed of any asset or any entity, business or business trust (other than a common control entity, common control business or common control business trust); or
- (ii) entered into any agreement to acquire or dispose of any asset or any entity, business or business trust (whether or not that entity, business or business trust is a common control entity, common control business or common control business trust),

during the period between the beginning of the most recent completed financial year and the date of registration of the prospectus by the Authority and —

- (A) the net book value, or the absolute amount of the profit or loss before tax, of that asset, entity, business or business trust has or would have accounted for 10% or more of the absolute amount of the net assets or net liabilities, or the profit or loss before tax, respectively, of the relevant corporation or of the group (after adjusting for the effects of the group restructuring, where applicable), as the case may be, in respect of the most recent completed financial year; or
- (B) the total net book value, or the total absolute amount of the profit or loss before tax, of all of those assets, entities, businesses and business trusts together have or would have accounted for 20%

or more of the absolute amount of the net assets or net liabilities, or the profit or loss before tax, respectively, of the relevant corporation or of the group (after adjusting for the effects of the group restructuring, where applicable), as the case may be, in respect of the most recent completed financial year; or

- (b) any significant change to the capital structure (including any material distribution) of the relevant corporation, or, if the relevant corporation is a holding company, of the relevant corporation or of any other entity or any business trust in the group, has occurred during the period between the end of the most recent completed financial year and the date of registration of the prospectus by the Authority,

provide pro forma financial statements for the most recent completed financial year and, if interim financial statements of the relevant corporation or of the group have been included in the prospectus, for the period covered by the interim financial statements.

23A. The pro forma financial statements required under paragraph 23(a) of this Part need not be provided if the acquisition or disposal, or agreement to acquire or dispose of any asset or business, was in relation to —

- (a) a new production line;
- (b) construction-in-progress; or
- (c) any other machinery or equipment,

which was, or was to be, acquired or disposed of in the ordinary course of business by the relevant corporation or, if the relevant corporation is a holding company, any other entity in the group, for which disclosures have been made under paragraph 1(d) or (e) of Part V or paragraph 7 of Part VI.

(31) Explanatory Note: The proposed new paragraph 23A is to clarify that the requirements for preparation of pro forma financial statements shall not apply to an acquisition, or disposal of, machinery and equipment made in the ordinary course of business in respect of which disclosures have been made pursuant to the requirements on material capital expenditures/divestments and commitments.

24. The pro forma profit and loss statement and pro forma cash flow statement shall be prepared —

- (a) for the most recent completed financial year; and

- (b) where any interim financial statements have been provided (whether under paragraph 16 of this Part or otherwise), for the period covered by the interim financial statements,

as if the acquisition, disposal or significant change had occurred at the beginning of the most recent completed financial year.

25. The pro forma balance sheet shall be prepared —

- (a) as at the end of the most recent completed financial year as if the acquisition, disposal or significant change had occurred at the end of that financial year; and
- (b) where any interim financial statements have been provided (whether under paragraph 16 of this Part or otherwise), as at the end of the period covered by the interim financial statements, as if the acquisition, disposal or significant change had occurred at the end of the period.

25A. The pro forma profit and loss statement and pro forma cash flow statement need not be provided under paragraph 23 —

- (a) for the most recent completed financial year, where the asset, entity, business or business trust that is the subject of the acquisition, disposal, or agreement for acquisition or disposal was inactive for the whole of that financial year; and
- (b) for the period covered by the interim financial statements (if applicable), where the asset, entity, business or business trust was inactive for the whole of the period covered by the interim financial statements.

25B. For the purposes of paragraph 25A of this Part —

- (a) an asset is inactive if it is not being used in the course or furtherance of a business;
- (b) a business is inactive if —
 - (i) it has not commenced; or
 - (ii) it is dormant;
- (c) an entity or a business trust is inactive if it is dormant.

(32) Explanatory Note: The proposed new paragraphs 25A and 25B are to clarify that pro forma profit and loss statement and pro forma cash flow statement need not be prepared if the asset, entity or business

acquired or disposed of, was dormant or had not commenced any activity.

26. Where the prospectus includes an opinion of the auditors of the relevant corporation that the pro forma profit and loss statement, cash flow statement or balance sheet in respect of the most recent completed financial year or, where any interim financial statements have been provided (whether under paragraph 16 of this Part or otherwise), in respect of the period covered by the interim financial statements, is the same, in all material respects, as the audited annual or interim profit and loss statement, cash flow statement or balance sheet of the relevant corporation, or the audited annual or interim consolidated profit and loss statement, cash flow statement or balance sheet of the relevant corporation, or the audited annual or interim combined profit and loss statement, cash flow statement or balance sheet of the group, as the case may be, which has been included in the prospectus, the pro forma profit and loss statement, cash flow statement or balance sheet, as the case may be, for that financial year or period need not be provided.

(33) Explanatory Note: Amendments to paragraph 26 are proposed to make clear that an opinion from the auditors of the relevant corporation will be required.

27. In respect of the pro forma financial statements required under paragraph 23 of this Part, state —

- (a) that they are prepared for illustrative purposes only and are based on certain assumptions, after making certain adjustments, to show —
 - (i) what the financial results and cash flows of the relevant corporation or the group, as the case may be, for the most recent completed financial year and, where applicable, the period covered by the interim financial statements would have been, if the acquisition, disposal or significant change had occurred at the beginning of that financial year; and
 - (ii) what the financial position of the relevant corporation or the group, as the case may be, would have been —
 - (A) as at the end of the most recent completed financial year, if the acquisition, disposal or significant change had occurred at the end of that financial year; and

- (B) where applicable, as at the end of the period covered by the interim financial statements, if the acquisition, disposal or significant change had occurred at the end of that period;
- (b) that because of their nature, they may not give a true picture of the actual financial position or results of the relevant corporation or the group, as the case may be;
- (c) the basis upon which they are prepared, including the source of each item of information; and
- (d) any material adjustment made to any information used in the preparation of the pro forma financial statements and the reason for making that adjustment.

28. Where pro forma financial statements have been provided for any reason referred to in paragraph 23(a) of this Part, with respect to the pro forma financial statements —

- (a) identify each asset, entity, business or business trust referred to in paragraph 23(a)(i) and (ii) of this Part;
- (b) provide a statement that the pro forma financial statements included in the prospectus have been properly prepared from financial statements relating to —
 - (i) the assets, entities, businesses and business trusts in the group; and
 - (ii) the assets, entities, businesses and business trusts referred to in paragraph 23(a)(i) and (ii) of this Part;
- (c) provide a statement —
 - (i) that the financial statements relating to the assets, entities, businesses and business trusts referred to in paragraph 23(a)(i) and (ii) of this Part (each being an asset, an entity, a business or a business trust which has been or will be acquired by the relevant corporation or any other entity in the group) which were used in the preparation of the pro forma financial statements were prepared in accordance with the [●New Framework]FRS, IFRS or US GAAP; or
 - (ii) where the financial statements relating to any asset, entity, business or business trust referred to in paragraph 23(a)(i) and (ii) of this Part (being an asset, an entity, a business or a business

trust which has been or will be acquired by the relevant corporation or any other entity in the group) which were used in the preparation of the pro forma financial statements were not prepared in accordance with any body of accounting standards referred to in sub-paragraph (c)(i), in respect of each such asset, entity, business or business trust —

- (A) that the financial statements relating to that asset, entity, business or business trust were restated in accordance with any body of accounting standards referred to in sub-paragraph (c)(i);
- (B) that the financial statements relating to that asset, entity, business or business trust were prepared in accordance with such other body of accounting standards as may be approved in any particular case by the Authority; or
- (C) if no material adjustments are required to restate the financial statements relating to that asset, entity, business or business trust in accordance with any body of accounting standards referred to in sub-paragraph (c)(i), that no material adjustments would be required to restate those financial statements to be in accordance with that body of accounting standards,

and that the financial statements relating to all other assets, entities, businesses and business trusts referred to in paragraph 23(a)(i) and (ii) of this Part (each being an asset, an entity, a business or a business trust which has been or will be acquired by the relevant corporation or any other entity in the group) which were used in the preparation of the pro forma financial statements were prepared in accordance with a body of accounting standards referred to in sub-paragraph (c)(i);

- (d) state, in respect of each of the financial statements relating to the assets, entities, businesses and business trusts referred to in paragraph 23(a)(i) and (ii) of this Part (each being an asset, an entity, a business or a business trust which has been or will be acquired by the relevant corporation or any other entity in the group) which were used in the preparation of the pro forma financial statements, the body of accounting standards that was adopted in the preparation of the financial statements and, where the financial statements have been restated pursuant to sub-paragraph

(c)(ii)(A), the body of accounting standards in accordance with which the financial statements have been restated.

28A. Notwithstanding paragraph 28(c)(i), where the financial year or interim period covered by a pro forma financial statement begins before 1 January 2018, the financial statements relating to the assets, entities, businesses and business trusts referred to in paragraph 23(a)(i) and (ii) of this Part which were used in the preparation of the pro forma financial statement may, for the purposes of paragraph 28(c), be prepared or restated in accordance with the FRS.

(34) Explanatory Note: New paragraph 28A is proposed to clarify that the financial statements relating to the assets, entities, business and business trusts referred to in paragraph 23(a)(i) and (ii) of this Part may be prepared or restated in accordance with the FRS if the financial statements were used to prepare a pro forma financial statement that covers a financial year or interim period beginning before 1 January 2018, and that the statements required under paragraph 28(c) may accordingly refer to FRS for such a case.

29. In respect of each of the financial statements relating to the assets, entities, businesses and business trusts referred to in paragraph 23(a)(i) and (ii) of this Part (each being an asset, an entity, a business or a business trust which has been or will be acquired by the relevant corporation or any other entity in the group) which are used in the preparation of the pro forma financial statements, state whether or not the financial statements are audited.

30. In respect of each of the audited financial statements relating to the assets, entities, businesses and business trusts referred to in paragraph 23(a)(i) and (ii) of this Part (each being an asset, an entity, a business or a business trust which has been or will be acquired by the relevant corporation or any other entity in the group) which are used in the preparation of the pro forma financial statements —

- (a) state the body of auditing standards that was adopted by the auditors in the audit of the financial statements; and
- (b) provide a statement identifying the auditors who audited the financial statements, together with the membership or memberships of each auditor in a professional body.

31. Include, in the prospectus —

- (a) a statement that the audit reports for the financial statements referred to in paragraph 30 of this Part do not contain any material qualification; or
- (b) if any of those audit reports contains any material qualification, modification or disclaimer, a statement —
 - (i) setting out in full the qualification, modification or disclaimer; and
 - (ii) providing the reason for the qualification, modification or disclaimer.

32. Include, in the prospectus, an opinion from the auditors of the relevant corporation, that —

- (a) the pro forma financial statements have been properly prepared —
 - (i) on the basis referred to in paragraph 27(c) of this Part; and
 - (ii) where the pro forma financial statements have been provided for any reason referred to in paragraph 23(a) of this Part, in accordance with the matters referred to in the statements under paragraph 28(b) and (c) of this Part; and
- (b) each material adjustment made to the information used in the preparation of the pro forma financial statements is appropriate for the purpose of preparing such financial statements and in accordance with —
 - (i) generally accepted auditing standards in Singapore; or
 - (ii) such other body of auditing standards as may be approved in any particular case by the Authority.

33. The pro forma financial statements to be provided under paragraph 23 of this Part shall —

- (a) in the case of annual financial statements, be —
 - (i) made up to the date to which the audited financial statements of the relevant corporation or the group for the most recent completed financial year have been made up; and
 - ~~(i)~~(ii) prepared in the format similar to the format of the audited financial statement for the most recent completed financial year provided under paragraph 2 read with paragraphs 8 and 8A of this Part; and
- (b) in the case of interim financial statements, be —

- (i) made up to the date to which the interim financial statements of the relevant corporation or the group have been made up; and
- (ii) prepared in the format similar to the format of the interim financial statements provided under paragraph 20 of this Part.

(35) Explanatory Note: Amendments to paragraph 33 are proposed to clarify the format (including applicable financial reporting framework) to be used in the preparation of pro forma financial statements.

34. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year —

- (a) the pro forma financial statements for the most recent completed financial year need not be provided under paragraph 23 of this Part; and
- (b) the reference to the most recent completed financial year in paragraphs 23 to 27 and 33 shall be construed as a reference to the financial year immediately preceding the most recent completed financial year.

Change in Accounting Policies

35. Where there has been any material change to the relevant corporation's accounting policies, provide a summary of the material change and the reason for and quantitative impact of such change on the financial results of the relevant corporation or, if the relevant corporation is a holding company, of the group for each of the 3 most recent completed financial years. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, the reference to the 3 most recent completed financial years in this paragraph shall be a reference to the 3 most recent completed financial years immediately preceding the most recent completed financial year.

Litigation

36. Provide information on any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the prospectus, a material effect on the financial position or profitability of the relevant corporation or, where the relevant corporation is a holding company, of the group.

Dividends

37. Disclose the amount of dividends ~~per share~~, if any, paid or declared by the relevant corporation or, if the relevant corporation is a holding company, the relevant corporation or any other entity or business trust in the group (except where the dividends are paid to the relevant corporation or another entity or another business trust in the group), in respect of each class of shares for each of the 3 most recent completed financial years and for the period from the end of the most recent completed financial year to the latest practicable date.; Provide giving particulars of each such class of shares and of any case in which no dividends have been paid in respect of any class of shares for any of those years or the abovementioned period. Where dividends have been declared but not paid, state when they will be paid.

(36) Explanatory Note: Amendments to paragraph 37 are proposed to require the issuer to disclose any dividends declared or paid during the period from the end of the last financial year to the latest practicable date and to extend the requirement to include dividends paid or declared by other entities in the group.

38. Describe the relevant corporation's dividend policy or, if it does not have a fixed policy, state so.

Significant Changes

39. Disclose any event (other than any matter disclosed under paragraph 23 of this Part) that has occurred from the end of the period covered by the most recent financial statements included in the prospectus (whether such financial statements are annual financial statements or interim financial statements) to the latest practicable date which may have a material effect on the financial position and results of the relevant corporation or, where the relevant corporation is a holding company, the group or, if there is no such event, provide an appropriate negative statement.

PART X

THE OFFER AND LISTING

Offer and Listing Details

1. If there is no established market for the shares or units of shares, as the case may be, being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any,

including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

2. If —

- (a) any of the relevant corporation's shareholders have pre-emptive purchase rights; and
- (b) the exercise of the rights by the shareholder is restricted, withdrawn or waived,

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

3. If shares or units of shares, as the case may be, of the same class as that being offered are listed for quotation or quoted on any securitiesapproved exchange or overseas ~~securities~~ exchange, disclose the following information regarding the price history of such shares or units of shares:

- (a) the annual highest and lowest market prices for the 3 most recent completed financial years or, if such shares or units of shares are listed for quotation or quoted on the securitiesapproved exchange or overseas ~~securities~~ exchange for less than 3 completed financial years, for each financial year since the date on which the shares or units of shares are so listed or quoted;
- (b) the highest and lowest market prices for each financial quarter of the 2 most recent completed financial years and any subsequent financial quarters before the date of lodgment of the prospectus or, if the shares or units of shares are listed for quotation or quoted on the securitiesapproved exchange or overseas ~~securities~~ exchange for less than 2 completed financial years, for each financial quarter from the date on which the shares or units of shares are so listed or quoted, to the latest practicable date;
- (c) the highest and lowest market prices for each of the last 6 months before the date of lodgment of the prospectus or, if the shares or units of shares are listed for quotation or quoted on the securitiesapproved exchange or overseas ~~securities~~ exchange for less than 6 months, for each month from the date on which the shares or units of shares are so listed or quoted, to the latest practicable date; and
- (d) the closing market prices on the last trading day before the announcement of the offer and (if different) on the latest practicable date.

4. Disclose any significant trading suspension that has occurred on the ~~securities~~approved exchange or overseas ~~securities~~-exchange during the 3 years immediately preceding the latest practicable date or, if the shares or units of shares are listed for quotation or quoted for less than 3 years, during the period from the date on which the shares or units of shares were first listed or quoted to the latest practicable date. If the shares or units of shares are not regularly traded on an ~~securities~~approved exchange or overseas ~~securities~~-exchange, provide information on any lack of liquidity.

5. State the type and class of the shares or units of shares, as the case may be, being offered or listed and —

- (a) indicate whether the shares or units of shares are registered shares or bearer shares, provide the number of shares or units of shares to be issued and made available to the market for each kind of share or unit of share and, where applicable, state the minimum and maximum offer prices;
- (b) describe any coupon; and
- (c) describe the arrangement for transfer and any restriction on the free transferability of the shares or units of shares.

6. If the rights evidenced by the shares or units of shares, as the case may be, being offered are or may be materially limited or qualified by the rights evidenced by any other class of shares or units of shares or by the provisions of any contract or other documents, include information regarding such limitation or qualification and its effect on the rights evidenced by the shares or units of shares being offered.

7. With respect to securities or securities-based derivatives contracts other than common or ordinary shares being offered, outline briefly the rights evidenced thereby as follows:

- (a) if subscription warrants or rights are offered —
 - (i) provide a description of and state the amount of shares or units of shares, as the case may be, which will be issued pursuant to the exercise of such warrants or rights;
 - (ii) state the amount of warrants or rights outstanding;
 - (iii) disclose the provisions for changes to or adjustments in the exercise price;
 - (iv) state the period during which and the price at which the warrants or rights are exercisable; and

- (v) disclose any other material terms of such warrants or rights; and
- (b) where convertible shares or stock purchase warrants to be offered are subject to redemption or call —
 - (i) describe the conversion terms of the shares or material terms of the warrants, including whether the right to convert into or purchase the securities-shares or stocks will be forfeited unless it is exercised before the date specified in the notice of redemption or call;
 - (ii) state the expiration or termination date of the warrants;
 - (iii) state the kind, frequency and timing of notice of the redemption or call, including where the notice will be published; and
 - (iv) in the case of bearer securities or securities-based derivatives contracts, state that investors are responsible for making arrangements to prevent loss of the right to convert or purchase in the event of redemption or call.

Plan of Distribution

8. To the extent known to the relevant corporation, indicate whether any person intends to subscribe for more than 5% of the offering.

9. Identify any group of targeted potential investors to whom the shares or units of shares, as the case may be, are being offered. If the offer is being made simultaneously in the markets of 2 or more countries and if a tranche has been or is being reserved for any of these countries, indicate any such tranche.

10. If the shares or units of shares, as the case may be, are reserved for allotment or allocation to any group of targeted investors, for example, existing shareholders, directors, or employees or past employees of the relevant corporation or its subsidiary or subsidiary entity, provide details of these and any other preferential allocation arrangements.

11. Indicate whether the amount of the shares or units of shares, as the case maybe, being offered can be increased, such as by the exercise of an underwriter's overallotment option or "greenshoe option", and state the exercise period of and amount under such option.

12. Indicate the amount, and outline briefly the plan of distribution, of any shares or units of shares, as the case may be, that are to be offered otherwise than through underwriters. If the shares or units of shares are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify

each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

13. If the shares or units of shares, as the case may be, are to be offered in connection with the writing of exchange-traded call options, describe briefly such transactions.

14. If simultaneously or almost simultaneously with the creation of the shares or units of shares, as the case may be, being offered —

- (a) shares or units of shares of the relevant corporation which are of the same class are subscribed for or placed privately; or
- (b) shares or units of shares of the relevant corporation which are of other classes are created for public or private placing,

provide details of the nature of such subscriptions or placings and of the number and characteristics of the shares or units of shares to which they relate.

15. Unless otherwise described under paragraph 13 of Part XI of this Schedule, provide a summary of the features of the underwriting relationship together with the amount of shares or units of shares, as the case may be, being underwritten by each underwriter. Include a statement as to whether the arrangement is one under which the underwriters are or will be committed to take and to pay for all of the shares or units of shares, or an agency or “best efforts” type of arrangement under which the underwriters are required to take and to pay for only such shares or units of shares as they may sell to the public.

Markets

16. Identify the securitiesapproved exchange or overseas ~~securities~~ exchange on which shares or units of shares, as the case may be, of the same class as those being offered are already listed for quotation or quoted, or on which permission to list for quotation or quote the shares or units of shares is being or is proposed to be sought.

17. When permission to list for quotation or quote on any securitiesapproved exchange or overseas ~~securities~~ exchange is being or is proposed to be sought in respect of the first-mentioned shares or units of shares in paragraph 16 of this Part, or the shares or units of shares which are the subject of the current offer, state that fact without creating the impression that the application for permission will necessarily be approved. If known, provide the dates on which such shares or units of shares will be listed for quotation or quoted and on which trading will commence.

Vendors

18. Provide the following information:

- (a) the name and address of the person (not being the relevant corporation) offering to sell the shares or units of shares, as the case may be, and the nature of any position, office or other material relationship that such person has had with the relevant corporation or, if the relevant corporation is the holding company of a group, with the group within the period of 3 years before the date of lodgment of the prospectus;
- (b) the number and class of shares or units of shares, as the case may be, being offered by the person, and the percentage of the existing and the enlarged equity capital that such shares constitute; and
- (c) the number and percentage of the shares or units of shares, as the case may be, for each class of shares or units of shares, as the case may be, in which the person has an interest, whether direct or deemed, both as of the latest practicable date and immediately after the offer.

Dilution

19. Where there is a substantial disparity between the public offer price and the effective cash cost to a director or substantial shareholder of the relevant corporation, or his associate, of shares or units of shares, as the case may be, acquired by him at any time during the period of 3 years before the date of lodgment of the prospectus, or which he has the right to acquire, provide a comparison of the public contribution in the proposed public offering and the effective cash contribution of such person.

20. Disclose the amount and percentage of immediate dilution resulting from the offer, computed as the difference between the offer price per share and the net asset value per share for the equivalent class of security, as of the latest balance sheet date after adjusting for the effects of the offer, and any disposal or acquisition which occurred between the latest balance sheet date and the date of the registration of the prospectus by the Authority, on the net asset value per share.

21. Where the information required in paragraphs 19 and 20 of this Part has been prepared using certain assumptions and after making certain adjustments on a pro forma basis, state such fact.

PART XI

ADDITIONAL INFORMATION

Share Capital

1. State the amount of issued share capital in respect of the relevant corporation as of the latest practicable date and, for each class of share capital, provide the following information:

- (a) the number of shares issued and fully paid;
- (b) the number of shares issued but not fully paid; and
- (c) a reconciliation of the number of shares outstanding at the beginning and end of the most recent completed financial year.

2. If more than 10% of capital has been paid for with assets other than cash within the period of 3 years before the date of lodgment of the prospectus, state that fact.

3. If there are shares in the relevant corporation not representing capital, state the number and main characteristics of such shares.

4. Indicate the number of shares in the relevant corporation held by or on behalf of the relevant corporation itself or by its subsidiary or subsidiary entity.

5. Where there is, in respect of the relevant corporation, an undertaking to increase the capital, state —

- (a) the amount of such capital increase and, where appropriate, the duration of the undertaking;
- (b) the categories of persons having preferential subscription rights for such additional portions of capital; and
- (c) the terms, arrangements and procedures for the share issue corresponding to such portions.

6. Provide information regarding any securities or securities-based derivatives contracts of the relevant corporation or, if the relevant corporation is the holding company of a group, of any entity in the group which any person has, or has the right to be given, an option to subscribe for or purchase, including —

- (a) the identity of that person;
- (b) a description of and the amount of securities or securities-based derivatives contracts covered by the option;
- (c) the purchase price of the option, if any;
- (d) the exercise price; and
- (e) the period during which the option is exercisable,

or an appropriate negative statement.

7. Where the option or right referred to in paragraph 6 of this Part has been given, or it has been agreed that the option or right will be given, to —

- (a) all the holders of the shares in or debentures of the relevant corporation;
- (b) all the holders of the shares in or debentures of any entity in a group, if the relevant corporation is the holding company of such group; or
- (c) employees of the relevant corporation or, if the relevant corporation is the holding company of a group, of any entity in the group under an employees' share option scheme,

it will be sufficient to state that fact without giving names.

8. Provide a history of share capital of the relevant corporation or, if the relevant corporation is the holding company of a group, of each entity in the group for the period of 3 years before the latest practicable date, identifying any event during such period which has changed the amount of the issued share capital or the number and classes of shares of which it was composed, together with a description of changes in voting rights attached to the various classes of shares during that time. Give details of the price and terms of any issue including particulars of any consideration that is not cash (including information regarding any discount, special term or instalment payment term). If there is no such issue, give an appropriate negative statement. Provide also the reason for any reduction of the amount of the share capital and the ratio of capital reductions.

9. Provide an indication of the resolutions, authorisations and approvals by virtue of which any shares or units of shares of the relevant corporation may be issued, the nature and amount of the issue, and the number of shares or units of shares which may be issued, if predetermined.

Constituent Documents of Relevant Corporation

10. Provide the following information in respect of the relevant corporation:

- (a) the relevant corporation's registration number, if applicable;
- (b) a summary of the provisions of the relevant corporation's constituent documents and bylaws with respect to —
 - (i) a director's power to vote on a proposal, arrangement or contract in which he is interested;
 - (ii) a director's power to vote on remuneration (including pension or other benefits) for himself or for any other director, and whether the quorum at a meeting of the board of directors to vote on

- directors' remuneration may include the director whose remuneration is the subject of the vote;
 - (iii) the borrowing powers exercisable by the directors and how such borrowing powers may be varied;
 - (iv) the retirement or non-retirement of a director under an age limit requirement; and
 - (v) the number of shares, if any, required for the qualification of a director;
- (c) a summary of the material provisions of the relevant corporation's constituent documents and bylaws with respect to —
- (i) the rights, preferences and restrictions attaching to each class of shares;
 - (ii) any change in capital;
 - (iii) any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law; and
 - (iv) any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement then operates.

11. Describe any limitation on the right to own shares, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on the shares imposed by law or by the constituent documents of the relevant corporation, or state that there are no such limitations if that is the case.

12. With respect to paragraphs 10 and 11 of this Part, if the law applicable to the relevant corporation in these areas is significantly different from that in Singapore, explain the effect of the law in these areas.

Material Contracts

13. Provide a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant corporation or, if the relevant corporation is the holding company of a group, any member of the group is a party, for the period of 2 years before the date of lodgment of the prospectus, including the parties to the contract, the date and general nature of the contract and the amount of any consideration passing to or from the relevant corporation or any other member of the group, as the case may be.

Exchange Controls

14. Describe any governmental law, decree or regulatory requirement or any other requirement which may affect the repatriation of capital and the remittance of profits by or to the relevant corporation. Also, explain how they would impact on the availability of cash and cash equivalents for use by the relevant corporation and the remittance of dividends, interest or other payments to shareholders of the relevant corporation.

Taxation

15. Provide information regarding taxes (including withholding provisions) to which shareholders of the relevant corporation may be subject. If the relevant corporation is incorporated outside Singapore, the information shall include whether the relevant corporation assumes responsibility for the withholding of tax at source and applicable provisions of any reciprocal tax treaties between the home country of the relevant corporation and Singapore, or a statement, if applicable, that there are no such treaties.

Dividends

16. Disclose any dividend restriction, the date on which the entitlement to dividends arises, if known, and any procedure for shareholders of the relevant corporation to claim dividends.

Statements by Experts

17. Where a statement or report attributed to a person as an expert is included in the prospectus, provide such person's name, address and qualifications.

18. Where the prospectus contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert — (a) state the date on which the statement was made;

(b) state whether or not it was prepared by the expert for the purpose of incorporation in the prospectus; and

(c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the prospectus with the inclusion of the statement in the form and context in which it is included in the prospectus.

19. The information referred to in paragraphs 17 and 18 of this Part need not be provided in the prospectus if the statement attributed to the expert is a statement to which the exemption under regulation 26(1) applies.

Consents from Issue Managers and Underwriters

20. Where a person is named in the prospectus as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the prospectus as the issue manager or underwriter, as the case may be, to the offer.

Documents for Inspection

21. Provide a statement that for a period of at least 6 months from the date of registration by the Authority of the prospectus, the following documents (or copies thereof), where applicable, may be inspected at a specified place in Singapore:

- (a) the constituent documents of the relevant corporation;
- (b) every material contract referred to in the prospectus or, where the contract is not reduced into writing, a memorandum giving full particulars thereof;
- (c) the directors' service contracts referred to in the prospectus;
- (d) every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the prospectus;
- (e) if the relevant corporation is not the holding company of a group, the audited financial statements of the relevant corporation for each of the financial years for which audited financial statements of the relevant corporation have been included in the prospectus;
- (f) if the relevant corporation is the holding company of a group, the respective audited financial statements of the entities, businesses or business trusts in the group (being entities, businesses or business trusts which have audited financial statements) for each of the financial years for which audited financial statements of the relevant corporation have been included in the prospectus;
- (g) if the relevant corporation is the holding company of a pro forma group and pro forma financial statements have been included in the prospectus, the respective audited financial statements of the entities, businesses or business trusts in the pro forma group (being entities, businesses or business trusts which have audited financial statements), other than the entities, businesses or business trusts referred to in sub-paragraph (f), for the financial year in respect of which pro forma financial statements have been included in the prospectus;

- (h) any interim financial statements of the relevant corporation, group or pro forma group, as the case may be, which are included in the prospectus, whether or not pursuant to Part IX of this Schedule;
- (i) in the case of a corporation incorporated in Singapore, all notes, reports or information relating to the financial statements referred to in sub-paragraphs (e), (f), (g) and (h) which are required to be prepared under the Companies Act (Cap. 50); and
- (j) where the financial statements referred to in this paragraph have been restated pursuant to paragraph 8(b)(i) or 28(c)(ii)(A) of Part IX of this Schedule, the restated annual financial statements and the audited annual financial statements which form the basis for the restated annual financial statements.

SIXTH SCHEDULE

Regulation 8(1)(b)

PARTICULARS TO BE INCLUDED UNDER SECTION 243(1) OF THE ACT IN A PROSPECTUS FOR AN OFFER OF SHARES OR UNITS OF SHARES IN A CASE OTHER THAN ONE REFERRED TO IN REGULATION 8(1)(a)

(37) Explanatory Note: The proposed amendments to the Sixth Schedule are mainly to replicate the amendments to the Fifth Schedule, where appropriate.

PART I

FRONT COVER

1. On the front cover of the prospectus, provide —

(a) the date of registration of the prospectus or, in the case of a supplementary prospectus or replacement prospectus, the date of lodgment of the supplementary prospectus or replacement prospectus;

(b) the following statements:

(i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.”; ~~and~~

(ii) “A copy of this prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the prospectus. Registration of the prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the shares or units of shares, as the case may be, being offered for investment.”; and

(iii) “As with all investment products, you should consider whether this is a suitable investment for yourself given your investment objectives and risk appetite. You are responsible for your own investment choices.”;

- (c) the name of the corporation (referred to in this Schedule as the relevant corporation) in respect of which the shares or units of shares, as the case may be, are being offered, and its country of incorporation; and
- (d) a statement that no shares or units of shares, as the case may be, shall be allotted or allocated on the basis of the prospectus later than 6 months after the date of registration of the prospectus by the Authority.

PART II

IDENTITY OF DIRECTORS, KEY EXECUTIVES, ADVISERS AND AGENTS

Directors and Key Executives

1. Provide the names, addresses and occupations of each of the directors and key executives of the relevant corporation.

Company Secretary

2. Provide the name and professional qualifications of the company secretary, if any, of the relevant corporation.

Advisers

3. Provide the names and addresses of —
 - (a) the ~~relevant corporation's~~ principal banker or bankers —
 - i of the relevant corporation; and
 - ii where the relevant corporation is the holding company of a group, of the group;
 - (b) the issue manager to the offer;
 - (c) the underwriter to the offer, if any; ~~and~~
 - (d) the legal adviser for or in relation to the offer; ~~and~~
 - (e) the consultant engaged by the relevant corporation, if any, to assist in —
 - (i) any group restructuring exercise to be undertaken by the relevant corporation in conjunction with the offer; or
 - (ii) the issue of securities or securities-based derivatives contracts to investors during the period of 12 months prior to the date of

lodgment of the prospectus for the purposes of facilitating the offer.

Auditors

4. Provide the names, addresses and professional qualifications (including any membership in a professional body) of the relevant corporation's auditors for the 3 most recent completed financial years. If applicable, provide also the name, address and professional qualifications (including any membership in a professional body) of any other auditor engaged by the relevant corporation in relation to the requirements under Parts VI and IX of this Schedule.

5. In a case where 2 or more persons are engaged by the relevant corporation to jointly audit, report on or prepare financial information for the relevant corporation, all of these persons shall be treated as auditors for the purposes of the requirements under Parts VI and IX of this Schedule if at least one of these persons satisfies the definition of auditor in section 2(1) of the Act.

Registrars and Agents

6. Provide the names and addresses of the relevant corporation's share registrars, transfer agents and receiving bankers for the shares or units of shares, as the case may be, being offered.

PART III

OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the offer price and the number of shares or units of shares, as the case may be, being offered, but if the price or size has not been fixed at the time of registration of the prospectus by the Authority, state

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(a) the range of prices or range of numbers of shares or units of shares, as the case may be, within which the shares or units of shares are being offered; or

(a)(b) both the range of prices and range of numbers of shares or units of shares, as the case may be.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to —

(a) the offer procedure; and

(b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of the registration of the prospectus by the Authority, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.

3A. Where the offer price or size has not been fixed at the time of registration of the prospectus by the Authority and only the range of prices or range of numbers of shares or units of shares, or both, as the case may be, has been provided, state —

(a) the method by which the offer price, or number of shares or units of shares, as the case may be, is to be determined; and

(b) how the final offer price or size will be made known to investors.

4. State the method and time limit for paying up for the shares or units of shares, as the case may be, being offered and where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

5. State, where applicable, the methods of and time limits for —

(a) the delivery of the documents evidencing title to the shares or units of shares, as the case may be, being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and

(b) the book-entry transfers of the shares or units of shares, as the case may be, being offered in favour of subscribers or purchasers.

6. In the case of any pre-emptive rights to subscribe for or purchase the shares or units of shares, as the case may be, being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

7. Provide a full description of the manner in which results of the allotment or allocation of the shares or units of shares, as the case may be, being offered are

to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

PART IV

KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant corporation, indicate the amount of the net proceeds that will be raised by the relevant corporation. If none of the proceeds will go to the relevant corporation, provide a statement of that fact.

3. Disclose how the net proceeds raised by the relevant corporation from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors of the relevant corporation, must be raised by the offer of shares or units of shares, as the case may be.

4. For each dollar of the proceeds from the offer that will be raised by the relevant corporation, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

5. If any material part of the proceeds to be raised by the relevant corporation will be used, directly or indirectly, to acquire or refinance the acquisition of an asset, business or entity other than in the ordinary course of business, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition as well as the estimated completion date. Where funds have already been expended for the acquisition, state the amount which has been paid by the relevant corporation, or, if the relevant corporation is a holding company, the amount which has been paid by the relevant

corporation or any other entity in the group. If the asset, business or entity has been or will be acquired from an interested person of the relevant corporation, identify the interested person and state how the cost to the relevant corporation is or will be determined as well as whether the acquisition is on an arm's length basis.

6. ~~If any of the proceeds to be raised by the relevant corporation will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.~~

7. If any material part of the proceeds to be raised by the relevant corporation will be used to discharge, reduce or retire the indebtedness of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section —

- (a) disclose the amount of discount or commission per share or per unit of share, as the case may be, agreed upon between the underwriter or other placement or selling agent in relation to the offer and the relevant corporation or holder of shares or units of shares in the relevant corporation selling such shares or units of shares;
- (b) provide a reasonably itemised statement of the major expenses incurred in connection with the offer and the issue and distribution of the shares or units of shares, as the case may be, being offered (in absolute terms and as a percentage of the total amount of the offer) that are payable by, or on behalf of, the relevant corporation;
- (c) ~~where any of the shares or units of shares, as the case may be, are being offered by a holder of such shares or units of shares, provide information on the expenses to be paid by, or on behalf of, such holder;~~
- (d) if any expenses are to be paid by a person on behalf of the relevant corporation ~~or holder of shares or units of shares in the relevant corporation selling such shares or units of shares,~~ identify the person; and
- (e) indicate the amount of any expense specifically charged to the subscriber or purchaser of the shares or units of shares, as the case may be, being offered.

The information may be given subject to future contingencies. Where the amount of any item is not known, estimates (identified as such) shall be given.

Risk Factors

9. Disclose, in a specific section with the heading “Risk Factors”, the risk factors that are specific to the relevant corporation and its industry as well as the shares or units of shares, as the case may be, being offered, which had materially affected or could materially affect, directly or indirectly, the relevant corporation’s financial position and results and business operations, and investments by holders of shares or units of shares, as the case may be, in the relevant corporation. Such risk factors may include those relating to the following:

- (a) the nature of the business which the relevant corporation, or a group to which the relevant corporation belongs, is engaged in or proposes to engage in;
- (b) the countries in which the relevant corporation, or a group to which the relevant corporation belongs, operates;
- (c) the jurisdiction in which the relevant corporation is incorporated (including the extent to which shareholders’ interests are protected under the law of that jurisdiction);
- (d) the financial and liquidity positions of the relevant corporation;
- (e) the absence of any operating track record or profitable operations;
- (f) the level of compliance by the relevant corporation with government regulations;
- (g) the possible absence of a liquid trading market for the relevant corporation’s shares;
- (h) the extent of reliance on the expertise of management;
- (i) the potential dilution in the net asset value per share to new investors;
- (j) unusual competitive conditions;
- (k) impending expiration of material patents, trademarks or contracts;
- (l) foreign currency exposures; and
- (m) dependence on a limited number of customers or suppliers.

Where possible and appropriate, the extent to which the relevant corporation's financial position or results, or both, as the case may be, had been, or could potentially be, impacted by the risk factor in question should be stated.

PART V

INFORMATION ON THE RELEVANT CORPORATION

History of the Relevant Corporation

1. Provide the following information:
 - (a) the date of incorporation and, where the constituent documents of the relevant corporation provide a limit as to the duration for which the relevant corporation is to exist, such duration;
 - (b) the legal form of the relevant corporation, the legislation under which it operates, and the address and telephone and facsimile numbers of its registered office and principal place of business (if different from those of its registered office);
 - (c) the length of time for which the business of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group has been carried on; and
 - (d) a description of each material expenditure on and divestment of capital investment by the relevant corporation or, if the relevant corporation is the holding company of a group, by the group which is in progress, including the geographical location of the investment and the method of financing.

Business Overview

2. Provide the following information in respect of the relevant corporation:
 - (a) the nature of the operations and principal activities, the main categories of products sold and services performed and any significant new product or service introduced for each of the 3 most recent completed financial years;
 - (b) the principal markets in which the relevant corporation competes;
 - (c) whether the main business is seasonal in nature and, if so, details of such seasonal nature (including the material effects on its production, sales, inventory, costs and revenues);

- (d) whether the business or profitability of the relevant corporation is materially dependent on any patent or licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process; and
- (e) any material effect of government regulations on the business, identifying the regulatory body.

3. In paragraph 2 of this Part, a reference to the relevant corporation shall, if the relevant corporation is the holding company of a group, be a reference to the group.

3A. Where the relevant corporation has made any statement regarding its position vis-à-vis its competitors, disclose the basis for such statement.

Organisational Structure

4. If the relevant corporation is part of a group, briefly describe the group, and the relevant corporation's position within the group. If the relevant corporation is the holding company of a group, provide information on every subsidiary, subsidiary entity, associated company and associated entity of the relevant corporation, being a subsidiary, a subsidiary entity, an associated company or an associated entity, as the case may be, the absolute amount of the net assets, net liabilities or profit or loss before tax of which accounts for 10% or more of the absolute amount of the net assets, net liabilities or profit or loss before tax, respectively, of the group for any of the 3 most recent completed financial years. Such information shall include the name, country of incorporation or constitution, principal place of business, principal activities, proportion of ownership interest of the relevant corporation and, if different, proportion of voting power held by the relevant corporation.

Fixed Assets

5. Provide information regarding any material tangible fixed asset of the relevant corporation, including any leased property and any major encumbrances thereon.

6. Describe briefly any regulatory requirements or environmental issues that may ~~materially~~ affect the relevant corporation's utilisation of a material tangible fixed asset.

7. In paragraphs 5 and 6 of this Part, a reference to the relevant corporation shall, if the relevant corporation is the holding company of a group, be a reference to the group.

PART VI

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

1. Information required under this Part shall be provided in respect of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group.

Operating Results

2. In respect of each of the 2 most recent completed financial years for which audited financial statements have been included in the prospectus and any interim period for which interim financial statements have been included in the prospectus, provide a brief narrative of the extent to which any material change in net sales or revenue, as compared to the previous financial year or previous corresponding interim period, is attributable to a change in the price or volume of products being sold or services being performed or to the introduction of a new product or service as compared to the previous corresponding period. Where the change in price or volume of products sold or services performed is due to any particular reason or factor, provide details of such reason or factor.

3. In respect of each financial year for which audited financial statements have been included in the prospectus and any interim period for which interim financial statements have been included in the prospectus, describe briefly any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant corporation.

Liquidity and Capital Resources

4. Provide the following information regarding liquidity (both short and long term):

- (a) a statement by the directors of the relevant corporation as to whether, in their reasonable opinion, the working capital available to the relevant corporation or, if the relevant corporation is the holding company of a group, to the group, as at the date of lodgment of the prospectus is sufficient for present requirements at least the next 12 months and, if insufficient, how the additional working capital considered by the directors to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgment of the prospectus shall not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an explicit condition of the offer that minimum net proceeds are to be raised and that the

application monies will be returned to investors if the minimum net proceeds are not raised;

- (b) a brief evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —
 - (i) the most recent completed financial year for which an audited cash flow statement has been included in the prospectus; and
 - (ii) if an interim cash flow statement has been included in the prospectus, the period covered by the interim cash flow statement;
- (c) a summary of the nature and extent of any legal, financial or economic restriction on the ability of a subsidiary or subsidiary entity of the relevant corporation to transfer funds to the relevant corporation in the form of cash dividends, loans or advances, and the impact such restrictions have had or are expected to have on the ability of the relevant corporation to meet its cash obligations; and
- (d) if the relevant corporation or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant corporation's financial position and results or business operations, or the investments by holders of shares or units of shares, as the case may be, in the relevant corporation —
 - (i) a statement of that fact;
 - (ii) details of the credit arrangement or bank loan; and
 - (iii) any action taken or to be taken by the relevant corporation or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).

5. Provide information on any material commitment for capital expenditures as of the latest practicable date and indicate the general purpose of such commitment and the anticipated source of funds needed to fulfil such commitment.

5A. Where the amount of trade receivables is material, provide information on the relevant corporation's credit policy, the circumstances under which credit terms may be extended, the average collection period for each of the 3 most recent completed financial years and, if any interim financial statements have been included in the prospectus, the interim period, and any significant exposure to doubtful trade receivables for each of the 3 most recent completed financial

years and, if any interim financial statements have been included in the prospectus, the interim period. If the amount of trade receivables as at the end of the most recent completed financial year or, if interim financial statements have been included, as at the end of the interim period, was significant, state the amount which has been collected as of the latest practicable date.

Research and Development

6. Where research and development activities are material to the relevant corporation's business, provide a brief description of ~~material-the~~ research and development policies of the relevant corporation for the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus.

Trend Information and Profit Forecast or Profit Estimate

7. Discuss —, for at least the current financial year,

(a) the business and financial prospects for the next 12 months from the latest practicable date; and

(a)(b) ~~as well as~~ any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that would cause financial information disclosed in the prospectus to be not necessarily indicative of the future operating results or financial condition of the relevant corporation. If Where there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.

8. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.

9. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors of the relevant corporation have based their profit forecast or profit estimate, as the case may be.

10. Where a profit forecast is disclosed, include a statement by an auditor of the relevant corporation as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 9 of this Part, is consistent with the accounting policies adopted by the relevant corporation, and is presented in accordance with the accounting standards adopted by the relevant corporation in the preparation of its financial statements.

11. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant corporation, provide in addition to the statement referred to in paragraph 10 of this Part —

(a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him—;

(i) that the profit forecast has been stated by the directors of the relevant corporation after due and careful enquiry and consideration; or

(ii) to the effect that, on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 9 of this Part, no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

(b) a statement by an auditor of the relevant corporation, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 9 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

12. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant corporation, provide in addition to the statement referred to in paragraph 10 of this Part —

(a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 9 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

(b) a statement by an auditor of the relevant corporation, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 9 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

PART VII
SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY EXECUTIVES AND
EMPLOYEES

Directors and Key Executives

1. Provide the following information with respect to each of the directors and key executives of the relevant corporation:

- (a) name, brief summary of past working experience, educational and professional qualifications, if any, and areas of expertise or responsibility in the relevant corporation or, if the relevant corporation is the holding company of a group, in the group;
- (b) each principal business activity performed outside the relevant corporation or, if the relevant corporation is the holding company of a group, the group and each principal directorship held at present other than in the relevant corporation;
- (c) age;
- (d) the nature of any family relationship —
 - (i) between any of the persons named above; or
 - (ii) between any of the persons named above and any substantial shareholder of the relevant corporation;
- (e) any arrangement or understanding with a substantial shareholder, customer or supplier of the relevant corporation or other person, pursuant to which any person referred to above was selected as a director or key executive of the relevant corporation.

Interest in Shares

2. Provide the names of each substantial shareholder and director and the chief executive officer of the relevant corporation, and state the number and percentage of shares of each class in which each of them has an interest, ~~whether direct or deemed under section 4 of the Act,~~ as of the latest practicable date and immediately after the offer. Disclose any significant change in the percentage of ownership in the last 3 years prior to the latest practicable date. For purposes of this paragraph, section 4 (other than subsection (6)) of the Act shall apply for determining whether a person has an interest in the shares of the relevant corporation; and in determining whether a person deemed to have an interest for the purposes of subsection (5) of that section, a person shall be treated as an associate of another person if the first-mentioned person is —

(a) a subsidiary of the second-mentioned person;

(a)(b) a person who is accustomed or is under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the second-mentioned person in relation to those shares; or

(c) a corporation which is, or the directors of which are, accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the second-mentioned person in relation to those shares.

3. Indicate whether the shares in which the persons referred to in paragraph 2 of this Part have interests carry different voting rights from those shares being offered, or provide an appropriate negative statement.

4. To the extent known to the relevant corporation, state whether the relevant corporation is directly or indirectly owned or controlled, whether severally or jointly, by any person or government, and if so, give the name of such person or government, and briefly describe the nature of such control, including the amount and proportion of capital held giving a right to vote.

5. Describe any known arrangement the operation of which may, at a subsequent date, result in a change in control of the relevant corporation.

Material Background Information

6. Disclose the following matters concerning a director, key executive or controlling shareholder of the relevant corporation:

(a) whether at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner;

(b) whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

(c) whether there is any unsatisfied judgment against him;

- (d) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
- (e) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
- (f) whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (g) whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (i) whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;
- (j) whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of —
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust;

(k) whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Compensation for Services

7. Disclose —

(a) the aggregate amount of compensation paid by the relevant corporation or its subsidiary or subsidiary entity for each of the 2 most recent completed financial years; and

(b) the estimated aggregate amount of compensation paid and to be paid by the relevant corporation or its subsidiary or subsidiary entity for the whole of the current financial year,

to the directors of the relevant corporation for services rendered by them in all capacities to the relevant corporation or its related corporation or related entity.

8. For the purposes of paragraph 7 of this Part —

(a) compensation includes any benefit in kind; and

(b) compensation that has already been paid includes any deferred compensation accrued for the financial year in question and payable at a later date.

9. For the purposes of paragraph 7(b) of this Part, any estimated amount of compensation that is to be paid pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement, but which has not yet been paid, may be excluded from the calculation of the estimated amount of compensation in respect of the whole of the current financial year, provided that that fact is stated.

10. Provide details of any existing or proposed service contract entered or to be entered into by the directors of the relevant corporation with the relevant corporation or its subsidiary or subsidiary entity which provide for benefits upon termination of employment, or an appropriate negative statement.

11. For a service contract referred to in paragraph 10 of this Part with a fixed term, state the term of each such contract, the unexpired term and the name of the relevant director.

Employees

12. Provide either —

- (a) the average number of employees of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group for each of the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, and the reason for any change in the average number of such employees, if material; or
- (b) the number of employees of the relevant corporation or, if the relevant corporation is the holding company of a group, of the group as at the end of each of the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, and the reason for any change in the number of such employees, if material,

and disclose information regarding the relationship between management and labour unions. If the relevant corporation or, if the relevant corporation is the holding company of a group, the group employs a significant number of temporary employees, disclose the average number of temporary employees in respect of the most recent completed financial year.

PART VIII

INTERESTED PERSON TRANSACTIONS AND CONFLICT OF INTERESTS

Interested Person Transactions

1. Provide the following information with respect to each transaction or loan, or proposed transaction or loan, between the beginning of the 3 most recent completed financial years and the latest practicable date, and between the entity at risk and an interested person of the relevant corporation, which are material in the context of the offer:

- (a) the nature of the transaction and the quantum involved; and
- (b) the amount of the loan (including a guarantee of any kind) made by the entity at risk or interested person to or for the benefit of the interested person or entity at risk respectively, such information to include the largest amount outstanding during the period covered, the amount outstanding as at the latest practicable date, the nature of the loan and the transaction in which it was incurred, and the interest rate on the loan.

2. State —

- (a) for each transaction referred to in paragraph 1 of this Part, whether or not the transaction has been or will be carried out on an arm's length basis; and
- (b) for each loan referred to in paragraph 1 of this Part, whether or not the loan was or will be made on an arm's length basis.

3. Where transactions or loans between the entity at risk and an interested person of the relevant corporation are similar and recurring in nature or could otherwise be grouped in a meaningful manner, the information required with respect to the transactions or loans in paragraphs 1 and 2 of this Part should be provided on an aggregate basis, if the aggregate of these transactions or loans are material in the context of the offer.

Conflict of Interests

4. Where a director or controlling shareholder of the relevant corporation or his associate has an interest in any entity carrying on the same business or dealing in similar products as the relevant corporation or, if the relevant corporation is the holding company of a group, as the group, disclose —

- (a) the name of that entity;
- (b) the name of the director or controlling shareholder involved;
- (c) the nature and extent of his interest in that entity and the extent to which he is involved in the management of that entity either directly or indirectly; and
- (d) whether any conflict of interests thereby arising has been or is to be resolved or mitigated and, if so, how it has been or is proposed to be resolved or mitigated.

Interests of Experts

5. If an expert named in the prospectus —

- (a) is employed on a contingent basis by the relevant corporation or its subsidiary or subsidiary entity;
 - (b) has a material interest, whether direct or indirect, in the shares of the relevant corporation or its subsidiary, or in the equity interests of its subsidiary entity; or
 - (c) has a material economic interest, whether direct or indirect, in the relevant corporation, including an interest in the success of the offer,
- describe the nature and terms of such contingency or interest.

Interests of Underwriters or Financial Advisers

6. If, in the reasonable opinion of the directors, any underwriter, ~~or other~~ financial adviser, or consultant engaged by the relevant corporation in relation to the offer has a material relationship with the relevant corporation, describe the nature and terms of such relationship.

PART IX

FINANCIAL INFORMATION

1.—(1) In this Part, unless the context otherwise requires —

“annual financial statements” means any annual financial statements of the relevant corporation or, where the relevant corporation is a holding company, any annual consolidated financial statements of the relevant corporation or any annual combined financial statements of the group;

“auditor” or “auditors” includes, where the relevant corporation has engaged any auditor other than its own in relation to any requirement under this Part, that auditor;

“common control business” means a business which —

- (a) at the time of registration of the prospectus, had been acquired by the relevant corporation or any other entity in the group; and
- (b) immediately prior to its acquisition by the relevant corporation or other entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant corporation;

“common control business trust” means a business trust which —

- (a) at the time of registration of the prospectus, had been acquired by the relevant corporation or any other entity in the group; and
- (b) immediately prior to its acquisition by the relevant corporation or other entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant corporation;

“common control entity” means an entity which —

- (a) at the time of registration of the prospectus, had been acquired by the relevant corporation or any other entity in the group; and
- (b) immediately prior to its acquisition by the relevant corporation or other entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant corporation;

“group” means the group of which the relevant corporation is the holding company;

“interim financial statements” means any interim financial statements of the relevant corporation or, where the relevant corporation is a holding company, any interim consolidated financial statements of the relevant corporation or any interim combined financial statements of the group;

“underlying financial statements”, in relation to any financial statements which have been restated pursuant to paragraph 8(b)(i) of this Part (referred to in this definition as the restated financial statements), means the financial statements that form the basis for the restated financial statements.

(2) For the purposes of this Part, a person controls an entity, a business or a business trust if —

- (a) subject to sub-paragraph (b), under the accounting standards adopted by the relevant corporation in the preparation of its annual financial statements; or
- (b) where those annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, under the body of accounting standards in accordance with which those annual financial statements have been restated,

had the relevant corporation been a holding company, the person would have been treated, in the preparation of any consolidated financial statements of the relevant

corporation or any combined financial statements of the group, as having the capacity to determine the outcome of decisions on the financial and operating policies relating to the entity, business or business trust.

Audited Financial Information

2. Subject to paragraphs 3 and 7 of this Part, provide —

(a) in a case where the relevant corporation or, if the relevant corporation is a holding company, the relevant corporation or any other entity in the group has acquired **any** common control entity, common control business or common control business trust between the beginning of the period comprising the 3 most recent completed financial years of the relevant corporation or group, as the case may be, and the date of registration of the prospectus by the Authority —

(i) the annual financial statements of the relevant corporation or, if the relevant corporation is a holding company, its annual consolidated financial statements or the annual combined financial statements of the group for the 3 most recent completed financial years; or

(ii) where —

(A) the relevant corporation has been in existence for less than 3 completed financial years or, if the relevant corporation is a holding company, neither the relevant corporation nor any other entity in the group has been in existence for at least 3 completed financial years; and

(B) no common control entity, common control business or common control business trust has been held and controlled, whether directly or indirectly, by a person who controls the relevant corporation as at the end of the earliest of the 3 most recent completed financial years,

the annual financial statements of the relevant corporation or, if the relevant corporation is a holding company, its annual consolidated financial statements or the annual combined financial statements of the group for each financial year beginning with the financial year in which —

(AA) the relevant corporation or, if the relevant corporation is a holding company, the relevant corporation or any other entity in the group came into existence; or

(BB) any of the common control entities, common control businesses or common control business trusts was first held and controlled by a person who controls the relevant corporation,

whichever is earlier; or

- (b) in any other case, the annual financial statements of the relevant corporation or, if the relevant corporation is a holding company, its annual consolidated financial statements for the 3 most recent completed financial years or, where the relevant corporation has been in existence for less than 3 completed financial years, for each of the financial years during which it has been in existence.

3. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year —

- (a) the annual financial statements for the most recent completed financial year need not be provided under paragraph 2 of this Part;
- (b) a reference to the 3 most recent completed financial years in paragraphs 2 and 7 of this Part shall be construed as a reference to the 3 completed financial years immediately preceding the most recent completed financial year; and
- (c) a reference to the most recent completed financial year in paragraphs 2 and 5 of this Part shall be construed as a reference to the financial year immediately preceding the most recent completed financial year.

4. The annual financial statements to be provided under paragraph 2(a) of this Part shall be prepared as if the common control entities, common control businesses or common control business trusts were, at the time they were held and controlled, whether directly or indirectly, by a person who controls the relevant corporation, a part of the relevant corporation or the group, as the case may be, for the relevant financial periods.

5. If any annual financial statements to be provided under paragraph 2 of this Part relate to a period other than 12 months due to a change in the financial year end of the relevant corporation or the group, as the case may be, the annual financial statements in respect of that financial year and the financial years preceding that financial year shall be provided on a restated 12-month basis, so that the financial year end for each of the restated financial statements corresponds to the financial year end for the most recent completed financial year.

6. For the avoidance of doubt, where the relevant corporation or any other entity in the group has acquired any asset or any entity, business or business trust (other than a common control entity, common control business or common control business trust), the annual financial statements to be provided under paragraph 2 of this Part shall include such asset, entity, business or business trust only from the date of its acquisition by the relevant corporation or the other entity in the group, as the case may be.

7. The annual financial statements of the relevant corporation or the group, as the case may be, need not be provided under paragraph 2 of this Part in respect of any financial year in which —

- (a) the relevant corporation and, if the relevant corporation had acquired any common control business between the beginning of the period comprising the 3 most recent completed financial years and the date of registration of the prospectus by the Authority, all such common control businesses; or
- (b) where the relevant corporation is a holding company, the group and, if the relevant corporation or any other entity in the group had acquired any common control entity, common control business or common control business trust between the beginning of the period comprising the 3 most recent completed financial years and the date of registration of the prospectus by the Authority, all such common control entities, common control businesses and common control business trusts,

were dormant or had not commenced any activity as at the end of that financial year.

8. Each of the annual financial statements to be provided under paragraph 2 of this Part must be —

- (a) prepared in accordance with the ~~[●New Framework]Financial Reporting Standards (referred to in this Part as FRS)~~, the International Financial Reporting Standards (referred to in this Part as IFRS) or the US Generally Accepted Accounting Principles (referred to in this Part as US GAAP); or
- (b) where the annual financial statements are not prepared in accordance with any body of accounting standards referred to in sub-paragraph (a) —
 - (i) restated in accordance with any body of accounting standards referred to in sub-paragraph (a);

- (ii) if no material adjustments are required to restate the annual financial statements in accordance with any body of accounting standards referred to in sub-paragraph (a), accompanied by an opinion from the auditors that this is so; or
- (iii) prepared in accordance with such other body of accounting standards as may be approved in any particular case by the Authority.

(38) Explanatory Note: Singapore incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore (“Listed Singapore Companies”), are required by the Accounting Standards Council to apply a new Singapore financial reporting framework (“New Framework”) (that is identical to IFRS) for financial years beginning on or after 1 January 2018. Singapore incorporated companies that are not Listed Singapore Companies are allowed by Accounting Standards Council to continue using their existing financial reporting framework (including FRS) or voluntarily adopt the New Framework. Amendment to paragraph 8 is proposed to clarify that MAS will be requiring financial information in prospectuses accompanying offers by Singapore incorporated companies that are not Listed Singapore Companies to be prepared in the New Framework (replacing FRS).

8A. Notwithstanding paragraph 8, an annual financial statement to be provided under paragraph 2 of this Part may be prepared in accordance with the Financial Reporting Standards (referred to in this Part as FRS), provided that —

- (a) the financial year covered by that annual financial statement begins before 1 January 2018;
- (b) where the financial years covered by all the annual financial statements to be provided under paragraph 2 of this Part begin before 1 January 2017, the prospectus discloses the following —
 - (i) the qualitative information on the prospective changes from FRS to [●New Framework], including a discussion of the impact that initial application of the [●New Framework] is expected to have on the financial statements;

- (ii) an audited reconciliation of net profit after tax of the most recent completed financial year prepared in accordance with FRS, to [●New Framework]; and
 - (iii) an audited reconciliation of net assets of the most recent completed financial year prepared in accordance with FRS, to [●New Framework]; and
- (c) where the financial year covered by one of the annual financial statements to be provided under paragraph 2 of this Part begins on or after 1 January 2017 but before 1 January 2018, the prospectus discloses the following —
 - (i) the annual financial statements covering the financial years beginning before 1 January 2017, if any, prepared in accordance with FRS;
 - (ii) the annual financial statement covering the financial year beginning on or after 1 January 2017 but before 1 January 2018 prepared in accordance with FRS, and accompanied by —
 - (A) an audited reconciliation of the statement of profit or loss and other comprehensive income prepared in accordance with FRS, to [●New Framework];
 - (B) an audited reconciliation of the statement of cash flows prepared in accordance with FRS, to [●New Framework];
 - (C) an audited reconciliation of the statement of financial position prepared in accordance with FRS, to [●New Framework];
 - (D) an audited reconciliation of the statement of changes in equity prepared in accordance with FRS, to [●New Framework];
 - (E) notes to describe any differences between the financial figures prepared in FRS and those in the [●New Framework], and
 - (iii) the annual financial statements covering the financial years beginning on or after 1 January 2018, if any, prepared in accordance with the [●New Framework].

(39) Explanatory Note: New paragraph 8A is proposed to provide companies that currently prepare annual financial statements in FRS and that are targeting to issue publicly traded equity shortly after the New Framework comes into effect, with transitional relief from restating up to three years of historical annual financial statements from FRS to the New Framework pursuant to the amendments in paragraph 8. Companies have the option of using the transitional relief, or restating up to three years of historical annual financial statements.

9. State, in respect of each financial year, the body of accounting standards that was adopted by the relevant corporation in the preparation of the annual financial statements to be provided under paragraph 2 of this Part for that financial year and, where the annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the body of accounting standards in accordance with which the underlying financial statements have been restated.

10. State, in respect of each financial year, the body of auditing standards that was adopted by the auditors of the relevant corporation in the audit of the annual financial statements to be provided under paragraph 2 of this Part for that financial year or, where the annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the body of auditing standards that was adopted in the audit of the underlying financial statements.

11. Subject to paragraph 12 of this Part, each of the annual financial statements to be provided under paragraph 2 of this Part shall be accompanied by

—

- (a) the audit report in respect of the annual financial statements or, if the auditors have refused to issue an audit report in respect of the annual financial statements, a statement highlighting and providing the reasons for the auditors' refusal;
- (b) a statement identifying the auditors who audited the annual financial statements and the membership or memberships of each auditor in any professional body or bodies; and
- (c) if the audit report in respect of the annual financial statements contains any material qualification, modification or disclaimer, a statement highlighting and providing the reasons for the qualification, modification or disclaimer in the prospectus.

12. Where any annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, state that fact and include in the prospectus in respect of each of the restated financial statements —

- (a) an opinion from the auditors of the relevant corporation that nothing has come to their attention that causes them to believe that the restated annual financial statements have not been properly restated in all material respects in accordance with a body of accounting standards referred to in paragraph 8(a) of this Part;
- (b) a statement of reconciliation between the restated annual financial statements and the audited underlying financial statements;
- (c) a statement identifying the auditors who audited the underlying financial statements and the membership or memberships of each auditor in any professional body or bodies;
- (d) either of the following:
 - (i) a statement that the audit report for the underlying financial statements does not contain any material qualification; or
 - (ii) if the audit report for the underlying financial statements contains any material qualification, modification or disclaimer, a statement setting out in full and providing the reasons for the qualification, modification or disclaimer, as the case may be;
- (e) a statement that the auditor for the underlying financial statements has given, and has not withdrawn, his written consent to the issue of the prospectus with the inclusion of the statements referred to in sub-paragraphs (c) and (d) in the form and context in which they are included in the prospectus; and
- (f) a statement that copies of the audited underlying financial statements are available for inspection at a specified place in Singapore for a period of at least 6 months from the date of registration of the prospectus by the Authority.

13. The annual financial statements to be provided under paragraph 2 of this Part or, where annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the underlying financial statements shall be made up to a date not earlier than 12 months before the date of lodgment of the prospectus.

Interim Financial Information

14. Provide the interim financial statements of the relevant corporation or, where the relevant corporation is a holding company, of the group, if such financial statements are required to be prepared under any law or regulatory requirement applicable to the relevant corporation.

Pro Forma Financial Information

15. Where —

(a) the relevant corporation, or, if the relevant corporation is a holding company, the relevant corporation or any other entity in the group, has —

- (i) acquired or disposed of any asset or any entity, business or business trust (other than a common control entity, common control business or common control business trust); or
- (ii) entered into any agreement to acquire or dispose of any asset or any entity, business or business trust (whether or not that entity, business or business trust is a common control entity, common control business or common control business trust),

during the period between the beginning of the most recent completed financial year and the date of registration of the prospectus by the Authority and —

- (A) the net book value, or the absolute amount of the profit or loss before tax, of that asset, entity, business or business trust has or would have accounted for 10% or more of the absolute amount of the net assets or net liabilities, or the profit or loss before tax, respectively, of the relevant corporation or of the group (after adjusting for the effects of the group restructuring, where applicable), as the case may be, in respect of the most recent completed financial year; or
- (B) the total net book value, or the total absolute amount of the profit or loss before tax, of all of those assets, entities, businesses and business trusts together have or would have accounted for 20% or more of the absolute amount of the net assets or net liabilities, or the profit or loss before tax, respectively, of the relevant corporation or of the group (after adjusting for the effects of the group restructuring, where applicable), as the case may be, in respect of the most recent completed financial year; or

- (b) any significant change to the capital structure (including any material distribution) of the relevant corporation, or, if the relevant corporation is a holding company, of the relevant corporation or of any other entity or any business trust in the group, has occurred during the period between the end of the most recent completed financial year and the date of registration of the prospectus by the Authority,

identify all assets, entities, businesses and business trusts referred to in sub-paragraph (a), if any, and state, in respect of the most recent completed financial year and, if interim financial statements of the relevant corporation or of the group have been included in the prospectus, in respect of the period covered by the interim financial statements, the financial effect of all such acquisitions, disposals and significant changes on the earnings or loss per share, and the net assets or net liabilities per share, of the relevant corporation or, if the relevant corporation is the holding company of a group, on the earnings or loss, and the net assets or net liabilities, of the group divided by the number of shares of the relevant corporation.

16. In respect of the statement of financial effect under paragraph 15 of this Part, state —

- (a) that it is prepared for illustrative purposes only and based on certain assumptions after making certain adjustments;
- (b) that because of its nature, it may not give a true picture of —
 - (i) the earnings or loss per share, or the net assets or net liabilities per share, of the relevant corporation; or
 - (ii) the earnings or loss, or the net assets or net liabilities, of the group divided by the number of shares of the relevant corporation,

as the case may be;

- (c) the basis, and any assumption, upon which it is prepared, and the source or sources of information used in the computation of the financial effect; and
- (d) any material adjustment made to the information used in the computation and the reason for the adjustment.

17. Include in the prospectus, an opinion from the auditors that —

- (a) the financial effect stated under paragraph 15 of this Part has been properly computed on the basis stated in paragraph 16(c) of this Part; and

(b) each material adjustment made to the information used in the computation of a financial effect —

- (i) is appropriate for the purpose of the computation; and
- (ii) is in accordance with generally accepted auditing standards in Singapore or such other body of auditing standards as may be approved in any particular case by the Authority.

18. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, the reference to the most recent completed financial year in paragraph 15 shall be construed as a reference to the financial year immediately preceding the most recent completed financial year.

Change in Accounting Policies

19. Where there has been any material change to the relevant corporation's accounting policies, provide a summary of the material change and the reason for and quantitative impact of such change on the financial results of the relevant corporation or, if the relevant corporation is a holding company, of the group for each of the 3 most recent completed financial years. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, the reference to the 3 most recent completed financial years in this paragraph shall be a reference to the 3 most recent completed financial years immediately preceding the most recent completed financial year.

Litigation

20. Provide information on any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the prospectus, a material effect on the financial position or profitability of the relevant corporation or, where the relevant corporation is a holding company, of the group.

Dividends

21. Disclose the amount of dividends ~~per share~~, if any, paid or declared by the relevant corporation or, if the relevant corporation is a holding company, the relevant corporation or any other entity or business trust in the group (except where the dividends are paid to the relevant corporation or another entity or another business trust in the group), in respect of each class of shares for each of the 3 most recent completed financial years and for the period from the end of the most recent completed financial year to the latest practicable date. Provide, giving particulars of each such class of shares and of any case in which no dividends have

been paid in respect of any class of shares for any of those years or the abovementioned period. Where dividends have been declared but not paid, state when they will be paid.

22. Describe the relevant corporation's dividend policy or, if it does not have a fixed policy, state so.

Significant Changes

23. Disclose any event (other than any matter disclosed under paragraph 15 of this Part) that has occurred from the end of the period covered by the most recent financial statements included in the prospectus (whether such financial statements are annual financial statements or interim financial statements) to the latest practicable date which may have a material effect on the financial position and results of the relevant corporation or, where the relevant corporation is a holding company, the group or, if there is no such event, provide an appropriate negative statement.

PART X

THE OFFER AND LISTING

Offer and Listing Details

1. If there is no established market for the shares or units of shares, as the case may be, being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

2. If —

- (a) any of the relevant corporation's shareholders have pre-emptive purchase rights; and
- (b) the exercise of the rights by the shareholder is restricted, withdrawn or waived,

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

3. If shares or units of shares, as the case may be, of the same class as that being offered are listed for quotation or quoted on any overseas **securities** exchange, disclose the following information regarding the price history of such shares or units of shares:

- (a) the annual highest and lowest market prices for the 3 most recent completed financial years or, if such shares or units of shares are listed for quotation or quoted on the overseas ~~securities~~-exchange for less than 3 completed financial years, for each financial year since the date on which the shares or units of shares are so listed or quoted;
 - (b) the highest and lowest market prices for each of the last 6 months before the date of lodgment of the prospectus or, if the shares or units of shares are listed for quotation or quoted on the overseas ~~securities~~-exchange for less than 6 months, for each month from the date on which the shares or units of shares are so listed or quoted, to the latest practicable date; and
 - (c) the closing market prices on the last trading day before the announcement of the offer and (if different) on the latest practicable date.
4. Disclose any significant trading suspension that has occurred on the overseas ~~securities~~-exchange during the 3 years immediately preceding the latest practicable date or, if the shares or units of shares are listed for quotation or quoted for less than 3 years, during the period from the date on which the shares or units of shares were first listed or quoted to the latest practicable date. If the shares or units of shares are not regularly traded on an overseas ~~securities~~-exchange, provide information on any lack of liquidity.
5. State the type and class of the shares or units of shares, as the case may be, being offered or listed and —
- (a) indicate whether the shares or units of shares are registered shares or bearer shares, provide the number of shares or units of shares to be issued and made available to the market for each kind of share or unit of share and, where applicable, state the minimum and maximum offer prices;
 - (b) describe any coupon; and
 - (c) describe the arrangement for transfer and any restriction on the free transferability of the shares or units of shares.
6. If the rights evidenced by the shares or units of shares, as the case may be, being offered are or may be materially limited or qualified by the rights evidenced by any other class of shares or units of shares or by the provisions of any contract or other documents, include information regarding such limitation or qualification and its effect on the rights evidenced by the shares or units of shares being offered.

7. With respect to securities or securities-based derivatives contracts other than common or ordinary shares being offered, outline briefly the rights evidenced thereby as follows:

- (a) if subscription warrants or rights are offered —
 - (i) provide a description of and state the amount of shares or units of shares, as the case may be, which will be issued pursuant to the exercise of such warrants or rights;
 - (ii) state the amount of warrants or rights outstanding;
 - (iii) disclose the provisions for changes to or adjustments in the exercise price;
 - (iv) state the period during which and the price at which the warrants or rights are exercisable; and
 - (v) disclose any other material terms of such warrants or rights; and
- (b) where convertible shares or stock purchase warrants to be offered are subject to redemption or call —
 - (i) describe the conversion terms of the shares or material terms of the warrants, including whether the right to convert into or purchase the securities-shares or stocks will be forfeited unless it is exercised before the date specified in the notice of redemption or call;
 - (ii) state the expiration or termination date of the warrants;
 - (iii) state the kind, frequency and timing of notice of the redemption or call, including where the notice will be published; and
 - (iv) in the case of bearer securities or securities-based derivatives contracts, state that investors are responsible for making arrangements to prevent loss of the right to convert or purchase in the event of redemption or call.

Plan of Distribution

8. To the extent known to the relevant corporation, indicate whether any person intends to subscribe for more than 5% of the offering.

9. Identify any group of targeted potential investors to whom the shares or units of shares, as the case may be, are being offered. If the offer is being made simultaneously in the markets of 2 or more countries and if a tranche has been or is being reserved for any of these countries, indicate any such tranche.

10. If the shares or units of shares, as the case may be, are reserved for allotment allocation to any group of targeted investors, for example, existing shareholders, directors, or employees or past employees of the relevant corporation or its subsidiary or subsidiary entity, provide details of these and any other preferential allocation arrangements.

11. Indicate whether the amount of the shares or units of shares, as the case maybe, being offered can be increased, such as by the exercise of an underwriter's overallotment option or "greenshoe option", and state the exercise period of and amount under such option.

12. Indicate the amount, and outline briefly the plan of distribution, of any shares or units of shares, as the case may be, that are to be offered otherwise than through underwriters. If the shares or units of shares are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

13. If the shares or units of shares, as the case may be, are to be offered in connection with the writing of exchange-traded call options, describe briefly such transactions.

14. If simultaneously or almost simultaneously with the creation of the shares or units of shares, as the case may be, being offered —

- (a) shares or units of shares of the relevant corporation which are of the same class are subscribed for or placed privately; or
- (b) shares or units of shares of the relevant corporation which are of other classes are created for public or private placing,

provide details of the nature of such subscriptions or placings and of the number and characteristics of the shares or units of shares to which they relate.

15. Unless otherwise described under paragraph 12 of Part XI of this Schedule, provide a summary of the features of the underwriting relationship together with the amount of shares or units of shares, as the case may be, being underwritten by each underwriter. Include a statement as to whether the arrangement is one under which the underwriters are or will be committed to take and to pay for all of the shares or units of shares, or an agency or "best efforts" type of arrangement under which the underwriters are required to take and to pay for only such shares or units of shares as they may sell to the public.

Markets

16. Where applicable, identify the overseas ~~securities~~ exchange on which shares or units of shares, as the case may be, of the same class as those being offered are already listed for quotation or quoted, or on which permission to list for quotation or quote the shares or units of shares is being or is proposed to be sought.

17. When permission to list for quotation or quote on any overseas ~~securities~~ exchange is being or is proposed to be sought in respect of the first-mentioned shares or units of shares in paragraph 16 of this Part, or the shares or units of shares which are the subject of the current offer, state that fact without creating the impression that the application for permission will necessarily be approved. If known, provide the dates on which such shares or units of shares will be listed for quotation or quoted and on which trading will commence.

17A. Provide information on how holders of the shares or units of shares can sell their shares or units of shares after the offer. If there is no established market for the shares or units of shares, as the case may be, after the offer, highlight prominently on the front cover of the prospectus and in the section with the heading “Risk Factors” to the effect that there is no established market through which the shares or units of shares, as the case may be, may be sold and investors may not be able to re-sell the shares or units of shares.

(40) Explanatory Note: The new paragraph 17A is proposed to require disclosure to investors on how they could exit their investment in the unlisted shares or if there is no market for investors to sell their unlisted shares.

Vendors

18. Provide the following information:

- (a) the name and address of the person (not being the relevant corporation) offering to sell the shares or units of shares, as the case may be, and the nature of any position, office or other material relationship that such person has had with the relevant corporation or, if the relevant corporation is the holding company of a group, with the group within the period of 3 years before the date of lodgment of the prospectus;

- (b) the number and class of shares or units of shares, as the case may be, being offered by the person, and the percentage of the existing and the enlarged equity capital that such shares constitute; and
- (c) the number and percentage of the shares or units of shares, as the case may be, for each class of shares or units of shares, as the case may be, in which the person has an interest, whether direct or deemed, both as of the latest practicable date and immediately after the offer.

PART XI

ADDITIONAL INFORMATION

Share Capital

1. State the amount of issued share capital in respect of the relevant corporation as of the latest practicable date and, for each class of share capital, provide the following information:

- (a) the number of shares issued and fully paid; and (b) the number of shares issued but not fully paid.

2. If there are shares in the relevant corporation not representing capital, state the number and main characteristics of such shares.

3. Indicate the number of shares in the relevant corporation, held by or on behalf of the relevant corporation itself or by its subsidiary or subsidiary entity.

4. Where there is, in respect of the relevant corporation, an undertaking to increase the capital, state —

- (a) the amount of such capital increase and, where appropriate, the duration of the undertaking;
- (b) the categories of persons having preferential subscription rights for such additional portions of capital; and
- (c) the terms, arrangements and procedures for the share issue corresponding to such portions.

5. Provide information regarding any securities or securities-based derivatives contracts of the relevant corporation or, if the relevant corporation is the holding company of a group, of any entity in the group which any person has, or has the right to be given, an option to subscribe for or purchase, including —

- (a) the identity of that person;

(b) a description of and the amount of securities or securities-based derivatives contracts covered by the option;

(c) the purchase price of the option, if any;

(d) the exercise price; and

(e) the period during which the option is exercisable, or an appropriate negative statement.

6. Where the option or right referred to in paragraph 5 of this Part has been given, or it has been agreed that the option or right will be given, to —

(a) all the holders of the shares in or debentures of the relevant corporation;

(b) all the holders of the shares in or debentures of any entity in a group, if the relevant corporation is the holding company of such group; or

(c) employees of the relevant corporation or, if the relevant corporation is the holding company of a group, of any entity in the group under an employees' share option scheme,

it will be sufficient to state that fact without giving names.

7. Provide a history of share capital of the relevant corporation or, if the relevant corporation is the holding company of a group, of each entity in the group for the period of 2 years before the latest practicable date, identifying any event during such period which has changed the amount of the issued share capital or the number and classes of shares of which it was composed, together with a description of changes in voting rights attached to the various classes of shares during that time. Give details of the price and terms of any issue including particulars of any consideration that is not cash (including information regarding any discount, special term or instalment payment term). If there is no such issue, give an appropriate negative statement. Provide also the reason for any reduction of the amount of the share capital and the ratio of capital reductions.

8. Provide an indication of the resolutions, authorisations and approvals by virtue of which any shares or units of shares of the relevant corporation may be issued, the nature and amount of the issue, and the number of shares or units of shares which may be issued, if predetermined.

Constituent Documents of Relevant Corporation

9. Provide the following information in respect of the relevant corporation:

(a) the relevant corporation's registration number, if applicable;

- (b) a summary of the provisions of the relevant corporation's constituent documents and bylaws with respect to —
 - (i) a director's power to vote on a proposal, arrangement or contract in which he is interested;
 - (ii) a director's power to vote on remuneration (including pension or other benefits) for himself or for any other director, and whether the quorum at a meeting of the board of directors to vote on directors' remuneration may include the director whose remuneration is the subject of the vote;
 - (iii) the borrowing powers exercisable by the directors and how such borrowing powers may be varied;
 - (iv) the retirement or non-retirement of a director under an age limit requirement; and
 - (v) the number of shares, if any, required for the qualification of a director;
- (c) a summary of the material provisions of the relevant corporation's constituent documents and bylaws with respect to —
 - (i) the rights, preferences and restrictions attaching to each class of shares;
 - (ii) any change in capital;
 - (iii) any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law; and
 - (iv) any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement then operates.

10. Describe any limitation on the right to own shares, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on the shares imposed by law or by the constituent documents of the relevant corporation, or state that there are no such limitations if that is the case.

11. With respect to paragraphs 9 and 10 of this Part, if the law applicable to the relevant corporation in these areas is significantly different from that in Singapore, explain briefly the effect of the law in these areas.

Material Contracts

12. Provide a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant corporation or, if the relevant corporation is the holding company of a group, any member of the group is a party, for the period of 2 years before the date of lodgment of the prospectus, including the parties to the contract, the date and general nature of the contract and the amount of any consideration passing to or from the relevant corporation or any other member of the group, as the case may be.

Exchange Controls

13. Describe briefly any governmental law, decree or regulatory requirement or any other requirement which may affect the repatriation of capital and the remittance of profits by or to the relevant corporation. Also, explain how they would impact on the availability of cash and cash equivalents for use by the relevant corporation and the remittance of dividends, interest or other payments to shareholders of the relevant corporation.

Taxation

14. Provide information regarding taxes (including withholding provisions) to which shareholders of the relevant corporation may be subject. If the relevant corporation is incorporated outside Singapore, the information shall include whether the relevant corporation assumes responsibility for the withholding of tax at source and applicable provisions of any reciprocal tax treaties between the home country of the relevant corporation and Singapore, or a statement, if applicable, that there are no such treaties.

Dividends

15. Disclose any dividend restriction, the date on which the entitlement to dividends arises, if known, and any procedure for shareholders of the relevant corporation to claim dividends.

Statements by Experts

16. Where a statement or report attributed to a person as an expert is included in the prospectus, provide such person's name, address and qualifications.

17. Where the prospectus contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert — (a) state the date on which the statement was made;

- (b) state whether or not it was prepared by the expert for the purpose of incorporation in the prospectus; and
- (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the prospectus with the inclusion of the statement in the form and context in which it is included in the prospectus.

18. The information referred to in paragraphs 16 and 17 of this Part need not be provided in the prospectus if the statement attributed to the expert is a statement to which the exemption under regulation 26(1) applies.

Consents from Issue Managers and Underwriters

19. Where a person is named in the prospectus as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the prospectus as the issue manager or underwriter, as the case may be, to the offer.

Documents for Inspection

20. Provide a statement that for a period of at least 6 months from the date of registration by the Authority of the prospectus, the following documents (or copies thereof), where applicable, may be inspected at a specified place in Singapore:

- (a) the constituent documents of the relevant corporation;
- (b) every material contract referred to in the prospectus or, where the contract is not reduced into writing, a memorandum giving full particulars thereof;
- (c) the directors' service contracts referred to in the prospectus;
- (d) every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the prospectus;
- (e) if the relevant corporation is not the holding company of a group, the audited financial statements of the relevant corporation for each of the financial years for which audited financial statements of the relevant corporation have been included in the prospectus;
- (f) if the relevant corporation is the holding company of a group, the respective audited financial statements of the entities, businesses or business trusts in the group (being entities, businesses or business trusts which have audited financial statements) for each of the financial years

for which audited financial statements of the relevant corporation have been included in the prospectus;

- (g) any interim financial statements of the relevant corporation or group, as the case may be, which are included in the prospectus;
- (h) in the case of a corporation incorporated in Singapore, all notes, reports or information relating to the financial statements referred to in sub-paragraphs (e), (f) and (g) which are required to be prepared under the Companies Act (Cap. 50); and
- (i) where the financial statements referred to in this paragraph have been restated pursuant to paragraph 8(b)(i) of Part IX of this Schedule, the restated annual financial statements and the audited annual financial statements which form the basis for the restated annual financial statements.

SEVENTH SCHEDULE

Regulation 8(2)(a)

PARTICULARS TO BE INCLUDED UNDER SECTION 243(1) OF THE ACT IN A PROSPECTUS FOR AN OFFER OF DEBENTURES OR UNITS OF DEBENTURES (OTHER THAN ASSET-BACKED SECURITIES OR STRUCTURED NOTES), WHERE AN APPLICATION HAS BEEN OR WILL BE MADE TO AN SECURITIESAPPROVED EXCHANGE TO LIST FOR QUOTATION OR QUOTE THOSE DEBENTURES OR UNITS OF DEBENTURES ON THE SECURITIESAPPROVED EXCHANGE

(41) Explanatory Note: The amendments to this schedule are proposed mainly for the purposes of aligning the disclosure requirements with the *International Disclosure Principles For Cross-Border Offerings and Listings of Debt Securities by Foreign Issuers* issued by the International Organisation of Securities Commissions (IOSCO) (“IOSCO Disclosure Principles for Debt Offerings”). The amendments to this schedule have been replicated to other schedules, and will be replicated to the Securities and Futures (Offers of Investments) (Shares and Debentures) (Exemption from Subdivisions (2) and (3) of Division 1 of Part XIII for REIT Bonds) Regulations 2011, where relevant.

PART I

FRONT COVER

1. On the front cover of the prospectus, provide —

(a) the date of registration of the prospectus or, in the case of a supplementary prospectus or replacement prospectus, the date of lodgment of the supplementary prospectus or replacement prospectus;

(b) the following statements:

(i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.”; ~~and~~

(ii) “A copy of this prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the prospectus. Registration of the prospectus by the Authority does

not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the debentures or units of debentures, as the case may be, being offered for investment.”; and

~~(ii)~~(iii) “As with all investment products, you should consider whether this is a suitable investment for yourself given your investment objectives and risk appetite. You are responsible for your own investment choices.”;

- (c) the name of the entity (referred to in this Schedule as the relevant entity) in respect of which the debentures or units of debentures, as the case may be, are being offered, and its country of incorporation or constitution;
- (d) a statement to the effect that an application has been or will be made to an securitiesapproved exchange to list for quotation or quote the debentures or units of debentures, as the case may be, being offered on that securitiesapproved exchange, and the name of such securitiesapproved exchange; and
- (e) a statement that no debentures or units of debentures, as the case may be, shall be allotted or allocated on the basis of the prospectus, later than 6 months after the date of registration of the prospectus by the Authority.

PART II

IDENTITY OF DIRECTORS, KEY EXECUTIVES, GUARANTOR ENTITIES, ADVISERS AND AGENTS

Directors and Key Executives

1. Provide the names, addresses and occupations of each of the directors or equivalent persons and key executives of the relevant entity. In the case of a guaranteed debenture issue, provide also such information in respect of the guarantor entity.

Advisers

2. Provide the names and addresses of —

~~the relevant entity’s principal banker or bankers;~~

(a) the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) to the offer, if any;

- (b) ~~the arranger of the offer, if any; (d)~~ the underwriter to the offer, if any;
and
(c) ~~(e)~~ the legal adviser for or in relation to the offer.

(42) Explanatory Note: Amendments to paragraph 2 are proposed mainly to remove the requirement for disclosure of the identities of the issuer's principal banks, as industry commented that such information is not significant to debenture holders. Amendments are also proposed to remove the separate reference to "arranger" which could currently cause confusion. In the case of an offer of debentures or units of debentures, the term "issue manager" would include an "arranger", or a "lead manager".

Guarantor Entity

3. In the case of a guaranteed debenture issue, provide the name and address of the guarantor entity.

Auditors

4. Provide the names, addresses and professional qualifications (including any membership in a professional body) of the relevant entity's auditors for the 2 most recent completed financial years. If applicable, provide also the name, address and professional qualifications (including any membership in a professional body) of any other auditor engaged by the relevant entity in relation to the requirements under Parts V and VIII of this Schedule. In the case of a guaranteed debenture issue, provide also such information in respect of the guarantor entity.

5. In a case where 2 or more persons are engaged by the relevant entity or guarantor entity to jointly audit, report on or prepare financial information for the relevant entity or guarantor entity, as the case may be, all of these persons shall be treated as auditors for the purposes of the requirements under Parts V and VIII of this Schedule if at least one of these persons satisfies the definition of auditor in section 2(1) of the Act.

Registrars and Agents

6. Provide the names and addresses of the relevant entity's paying agents, registrars, transfer agents and receiving bankers for the debentures or units of debentures, as the case may be, being offered.

Representative for Debenture Holders

7. Provide the name and address of the trustee, fiscal agent or any other representative for the debenture holders, and the main terms of the document governing such trusteeship or representation, including provisions concerning the functions, rights and obligations of the trustee, fiscal agent or representative. Disclose any conditions precedent or other requirements that are to be satisfied before the trustee, fiscal agent or representative will —

(a) enforce a lien against the property of the relevant entity;

(b) act on behalf of the debenture holders; or

(c) take any action at the request of the debenture holders.

8. If, in the reasonable opinion of the directors or equivalent persons, the trustee, fiscal agent or representative has a material relationship with the relevant entity which could cause a conflict to arise between its interest as a trustee, fiscal agent or representative for the debenture holders and its other interests, describe the nature and terms of such relationship and explain why the directors or equivalent persons of the relevant entity still consider its appointment to be appropriate.

(43) Explanatory Note: Amendments to paragraph 7 are proposed to elaborate on the information that should be provided. In addition, a new paragraph 8 is proposed to require the prospectus to disclose any material relationship between the relevant entity and the trustee, fiscal agent or any other representative for the debenture holders which could cause a conflict of interest to arise. These amendments are in line with the IOSCO Disclosure Principles for Debt Offerings. It is also proposed that the issuer's directors be required to provide an explanation on the appropriateness of the appointment so that investors can make a proper assessment on whether their interests may be prejudiced.

PART III

OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state —

- (a) the amount of subscriptions that are being sought and, where applicable, the fact that the subscriptions may be reduced;
- (b) the nature, denomination and, where applicable, number of the debentures or units of debentures, as the case may be, being offered;
- (c) ~~where the debentures or units of debentures, as the case may be, are being offered at a discount or premium,~~ the face value of the debentures or units of debentures being offered; and
- (d) the currency of the issue and, if the issue is payable in any currency other than the currency of issue, this fact.

(44) Explanatory Note: In relation to paragraph 1(c), the requirement to state the discount or premium and the method for determining such discount or premium on the debentures or units of debentures is proposed in paragraph 1 Part IX.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to —

- (a) the offer procedure; and
- (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of the registration of the prospectus by the Authority, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.

4. State the method and time limit for paying up for the debentures or units of debentures, as the case may be, being offered.

5. State, where applicable, the methods of and time limits for —

- (a) the delivery of the documents evidencing title to the debentures or units of debentures, as the case may be, being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and
 - (b) the book-entry transfers of the debentures or units of debentures, as the case may be, being offered in favour of subscribers or purchasers.
6. In the case of any pre-emptive rights to subscribe for or purchase the debentures or units of debentures, as the case may be, being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.
7. Provide a full description of the manner in which results of the allotment or allocation of the debentures or units of debentures, as the case may be, being offered are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

PART IV

KEY INFORMATION

Principal Terms and Conditions

1. Provide the following information on the debentures or units of debentures, as the case may be, being offered:
 - (a) the yield, a summary of the method by which that yield is calculated, the issue and redemption prices, the nominal interest rate and —
 - (i) if the nominal interest rate is a floating rate, how the rate is calculated; or
 - (ii) if several or variable interest rates are provided for, the conditions for changes in the rate;
 - (b) the date from which interest accrues and the interest payment dates;
 - (c) the procedures for, and validity period of, claims to payment of interest and repayment of the principal sum;
 - (ca) if the principal sum of, or the interest on, the debentures or units of debentures, as the case may be, is payable in any currency other than the currency of the issue, state this fact. Where payments may be payable in 2 or more currencies, indicate —

- (i) the person or persons who have the power to determine the currency or currencies in which payment is to be made and the applicable currency exchange rates, and
- (ii) the basis on which both determinations in (i) will be made.
- (d) the final repayment date and any early repayment dates, specifying whether exercisable at the option of the relevant entity or of the holder of the debentures or units of debentures, as the case may be;
- (e) details of the arrangements for the amortisation or early redemption of the debentures or units of debentures, as the case may be, including procedures to be adopted;
- (f) a description of any subordination or seniority of the issue to other debts of the relevant entity already incurred or to be incurred. If the rights of the holders of the debentures or units of debentures, as the case may be, will be subordinated to other security holders or creditors, state the aggregate amount of outstanding indebtedness that ranks in priority to the debentures or units of debentures being offered as of the latest practicable date. If there is no limitation on the creation of additional indebtedness that ranks in priority to the debentures or units of debentures being offered, state such fact;
- (g) the rights conferred upon the holders of the debentures or units of debentures, as the case may be, including rights in respect of interest and redemption, and whether these rights may be materially limited or qualified by the rights of any other class of security holders or creditors;
- (h) the particulars of any security, including provisions relating to the release or substitution of such security, if applicable, and where the security is in the form of a fixed asset, any requirement for the maintenance of such asset;
- (i) the particulars of any significant covenant, including those concerning subsequent issues of other forms or series of debentures or units of debentures;
- (j) where applicable, a statement as to whether or not the relevant entity has any right to create additional charges over any of the assets subject to a charge to secure the repayment of the debentures or units of debentures, as the case may be, which will rank in priority to or *pari passu* with the second-mentioned charge and, if there is such a right, particulars of its nature and extent;

- (k) the nature and scope of any guarantee, surety or commitment intended to ensure that the issue will be duly serviced with regard to both the principal sum of and the interest on the debentures or units of debentures, as the case may be, and the material terms and conditions of such guarantee, surety or commitment, including any conditions for the application of such guarantee, surety or commitment and any conditions to which the application of such guarantee, surety or commitment are subject;
- (l) any legislation under which the debentures or units of debentures, as the case may be, have been created, and the governing law and the competent courts in the event of litigation;
- (m) definition of events constituting defaults and the remedies available in the event of default, including the effect of a default upon acceleration of maturity of the debentures or units of debentures, as the case may be, as well as information on when holders of the debentures or units of debentures would be able to take action to enforce their claims; and
- (ma) the procedures in place and actions to be taken by the relevant entity, guarantor entity, trustee, fiscal agent or any other representative for the debenture holders (as the case may be) in the event of a default or potential event of default, including –
 - (i) in relation to the procedures that will be taken in the event of default or potential event of default, the communication plans with debenture holders and whether any meeting of debenture holders will be convened by the relevant entity, guarantor entity, trustee, fiscal agent or other representative for the debenture holders;
 - (ii) whether the trustee, fiscal agent or any other representative for the debenture holders is bound to take steps to ascertain whether there is an event of default or potential event of default; and
 - (iii) the conditions which must be fulfilled in order for the trustee to take any action on behalf of debenture holders or at the request of debenture holders, including any threshold of approval or instruction by debenture holders and any pre-funding or indemnification requirement;
- (n) provisions ~~for modifications of~~ setting out how the terms and conditions of the debentures or units of debentures, as the case may be, or the rights

of the holders of the debentures or units of debentures, may be modified; and

- (o) the consequences of any failure to make payments which does not constitute an event of default and the remedies available under the terms of the debentures or units of debentures, as the case may be, or the applicable law.

(45) Explanatory Note: Amendments to paragraph 1 are proposed mainly to set out certain additional information relating to terms of the debentures which should be disclosed. These amendments are in line with the IOSCO Disclosure Principles for Debt Offerings.

In addition, sub-paragraph (ma) of paragraph 1 is to require disclosure of what investors should expect in event of default (or potential event of default), including the trustee's role in such an event.

Periodic Disclosures

1A. State whether or not the relevant entity and its guarantor entity are required under the terms of the document governing trusteeship or representation of the debenture holders, or under any applicable law or the rules of the approved exchange, to make periodic disclosures of its financial statements or other information so as to enable holders of the debentures or units of debentures, as the case may be, to assess the relevant entity's and its guarantor entity's ability to fulfil their respective obligations under the debentures or units of debentures, as the case may be.

(46) Explanatory Note: New paragraph 1A is proposed to require the issuer to disclose whether or not it has an obligation to make periodic disclosures to debenture holders. This will enable investors to assess if they will be able to get an early indication of any deterioration in the issuer's financial condition. This is in line with the IOSCO Disclosure Principles for Debt Offerings.

Credit Rating

2. If the relevant entity, its guarantor entity or the debentures or units of debentures being offered have been given a credit rating by a credit rating agency, disclose —

- (a) the name of the credit rating agency;
- (b) the credit rating (including whether it is a short-term or long-term credit rating);
- (c) whether ~~any fee or benefit of any kind has been paid by or not~~ the relevant entity, its guarantor entity or any of their related parties, ~~had paid any fee or benefit of any kind~~ to the credit rating agency in consideration for the credit rating ~~assessment~~; and
- (d) the date on which the credit rating was given.

2A. If a credit rating is disclosed under paragraph 2, provide the following information —

- (a) a statement on whether the credit rating is current as of the date of registration of the prospectus;
- (b) a statement to the effect that if there is any change in the credit rating from the date of registration of the prospectus to the close of the offer, the relevant entity shall lodge a supplementary or replacement prospectus to update the credit rating;
- (c) a statement that the credit rating is not a recommendation to invest in the debentures or units of debentures, as the case may be, and investors should perform their own evaluation as to whether the investment is appropriate;
- (d) a statement that the credit rating may be subject to revision or withdrawal at any time;
- (e) a statement that the credit rating is only a statement of opinion;
- (f) a statement stating the specific source or sources where the following information can be obtained —
 - (i) the rating methodology used by the credit rating agency;
 - (ii) the relative ranking of the credit rating;
 - (iii) an explanation of the meaning and limitations of the credit rating;
 - and

(iv) if the credit rating is a “preliminary”, “provisional” or “expected” rating, the status of that designation and its implications on the relevant entity or the debentures or units of debentures being offered or, in the case of a guaranteed debenture issue, its implications on the relevant entity, its guarantor entity or the debentures or units of debentures being offered; and

(g) if the credit rating is a “preliminary”, “provisional” or “expected” rating, a statement undertaking to announce the final rating when it is available; and

(h) if the credit rating is below that of BBB by Fitch Ratings, Baa by Moody’s Investors Service or BBB by Standard and Poor’s Ratings Services, provide the following statement:

“This rating is a non-investment grade credit rating.”

2B. If the relevant entity, its guarantor entity, and the debentures or units of debentures (as the case may be) being offered have not been given a credit rating by a credit rating agency, state this fact and provide a statement to the effect that not having a credit rating means that an independent assessment by a credit rating agency of the default risk of the relevant entity, its guarantor entity, and the debentures or units of debentures (as the case may be) being offered has not been made.

(47) Explanatory Note: Given that the credit rating of the issuer, its guarantor or the debentures being offered is material information, it must be kept updated up till the close of the offer. New paragraph 2A is proposed to make this clear. Further, while credit ratings may provide useful information on the credit quality of the issuer, its guarantor or the debentures being offered, it is important that investors be alerted to the significance and limitations of such ratings so that they will not place undue reliance on the rating when making investment decisions. New paragraph 2A therefore seeks to also require issuers to explain the significance and limitations of credit ratings when a rating is disclosed in the prospectus.

In addition, sub-paragraph (h) of paragraph 2A is proposed to require issuers to highlight to investors where any credit rating is non-

investment grade, and paragraph 2B is proposed to require disclosure of the fact and implications of a lack of a credit rating.

Capitalisation and Indebtedness

3. Provide a statement of capitalisation and indebtedness (including the amount of cash and cash equivalents) as of a date no earlier than 60 days prior to the date of lodgment of the prospectus, showing the capitalisation and indebtedness (distinguishing between guaranteed and nonguaranteed, and secured and unsecured, indebtedness) of —

- (a) the relevant entity; or
- (b) if the relevant entity is the holding company or holding entity of a group, the group,

as the case may be, and if applicable, adjusted to reflect the sale of new debentures or units of debentures, as the case may be, being issued and the intended application of the net proceeds therefrom. For the purposes of this paragraph, indebtedness includes indirect and contingent indebtedness. Disclose any other significant contingent liabilities and the nature of such liabilities. In the case of a guaranteed debenture issue, provide also such information in respect of the guarantor entity.

Use of Proceeds from Offer and Expenses Incurred

4. In the same section, provide the information set out in paragraphs 5 to 9A of this Part.

5. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 6 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.

6. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the

offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of debentures or units of debentures, as the case may be.

7. If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset, ~~business or entity other than in the ordinary course of business~~, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition as well as the estimated completion date. Where funds have already been expended for the acquisition, state the amount which has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount which has been paid by the relevant entity or any other entity in the group. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined as well as whether the acquisition is on an arm's length basis.

8. ~~If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.~~

9. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

9A. Disclose —

(a) the amount of discount or commission per debenture or per unit of debenture, as the case may be, agreed upon between —

(i) the underwriter or other placement or selling agent in relation to the offer; and

(ii) the relevant entity or holder of debentures or units of debentures of the relevant entity selling such debentures or units of debentures;

(b) the major expenses incurred in connection with the offer and the issue and distribution of the debentures or units of debentures, as the case may be (in absolute terms and as a percentage of the total amount of the offer)

that are payable by, or on behalf of, the relevant entity, in a reasonably itemised statement; and

(c) if any expenses are to be paid by a person on behalf of the relevant entity, the identity of the person.

(48) Explanatory Note: Disclosure of expenses to be paid in relation to the offering enables investors to assess how much of the proceeds goes into paying expenses and the amount of commissions and discounts paid to underwriters or other placement or selling agents. New paragraph 9A is proposed to require the issuer to provide such disclosures. This is in line with the IOSCO Disclosure Principles for Debt Offerings.

Risk Factors

9.10. Disclose, in a specific section with the heading “Risk Factors”, the risk factors that are specific to the relevant entity and its industry as well as the debentures or units of debentures, as the case may be, being offered, which had materially affected, or could materially affect, directly or indirectly, the relevant entity’s ability to fulfil its obligations to holders of the debentures or units of debentures, as the case may be, or the price or value of the debentures or units of debentures, or both. ~~financial position and results and business operations, and investments by holders of debentures or units of debentures of the relevant entity.~~ In the case of a guaranteed debenture issue, provide also such the same type of information in respect of the guarantor entity.

(49) Explanatory Note: To comply with the disclosure requirement, issuers may sometimes include too many risk factors which may end up undermining the value of disclosure. Amendments to paragraph 10 are proposed to make clear that the issuer of debentures or units of debentures should focus on those risks which are useful to investors in assessing whether the issuer is able to fulfil its obligations, as well as the investment and market risks which could affect their investments.

PART V
INFORMATION ON THE RELEVANT ENTITY

History of the Relevant Entity

1. Provide the following information:
 - (a) the date of incorporation or constitution and, where the constituent documents of the relevant entity provide a limit as to the duration for which the relevant entity is to exist, such duration;
 - (b) the legal form of the relevant entity, the legislation under which it operates, and the address and telephone and facsimile numbers of its registered office and principal place of business (if different from those of its registered office);
 - (c) the length of time for which the business of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group has been carried on; and
 - (d) a description of any recent events particular to the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any recent events particular to any entity of the group, which is material to the evaluation of the solvency of the relevant entity or its ability to meet its obligations to holders of the debentures or units of debentures, as the case may be~~material capital investment by the relevant entity or, if the relevant entity is the holding company or holding entity of a group, by the group, the making or divestment of which is being planned for or in progress, including the geographical location of the investment and the method of financing.~~

(50) Explanatory Note: The requirement in paragraph 1(d) is moved to paragraph 6 of this Part given that they relate to the same subject matter. In its place, a new requirement is introduced to require the prospectus to disclose information on any recent events which are material to the evaluation of the issuer's solvency or its ability to fulfil its obligations to debenture holders. This is in line with the requirements prescribed under the EU/UK Prospectus Directive.

Organisational Structure

2. If the relevant entity is part of a group, briefly describe the group, and the relevant entity's position within the group. If the relevant entity is dependent (whether wholly or partly) on other entities within the group for its profitability and viability, identify such entities and explain this dependence~~the holding company or holding entity of a group, provide information on every subsidiary and subsidiary entity of the relevant entity, being a subsidiary or subsidiary entity, as the case may be, the absolute amount of the net assets, net liabilities or profit or loss before tax of which accounts for 10% or more of the absolute amount of the net assets, net liabilities or profit or loss before tax, respectively, of the group for any of the 2 most recent completed financial years. Such information shall include the name, country of incorporation or constitution, principal place of business, principal activities, proportion of ownership interest of the relevant entity and, if different, proportion of voting power held by the relevant entity.~~

(51) Explanatory Note: Amendments to paragraph 2 are proposed to reduce the amount of details which the issuer has to provide in respect of its significant subsidiaries as such detailed information is not necessary for debenture holders. It is proposed instead that disclosure be limited to the case where the issuer is dependent on any entity within the group. This is in line with the requirements prescribed under the EU/UK Prospectus Directive.

Business Overview and Financial Review

3. Provide the following information in respect of the relevant entity:
- (a) the nature of the operations and principal activities;
 - (b) the main categories of products sold and services performed and any significant new products or services;
 - (c) the principal markets in which the relevant entity competes;
 - (d) the net sales or revenue of the relevant entity for the 2 most recent completed financial years;
 - (e) in respect of each financial year for which audited financial statements have been included in the prospectus and any interim period for which interim financial statements have been included in the prospectus, any significant factor, including any unusual or infrequent event or new

development, which materially affected profit or loss before tax of the relevant entity, the extent to which the profit or loss before tax was so affected, and any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods; and

- (f) a summary on whether the business or profitability of the relevant entity is materially dependent on any patent or licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process.

4. In paragraph 3 of this Part, a reference to the relevant entity shall, if the relevant entity is the holding company or holding entity of a group, be a reference to the group.

4A. Where the relevant entity has made any statement in the prospectus regarding its position vis-à-vis its competitors, disclose the basis for such statement.

(52) Explanatory Note: New paragraph 4A is proposed to require the issuer to disclose the basis for any statement made regarding its competitive competition. This is to make clear that unsubstantiated statements which are mere puffery should not be included in the prospectus.

Liquidity and Capital Resources

5. Provide the following information regarding liquidity (both short and long term) in respect of the relevant entity:

- (a) a description of the material sources of liquidity, whether internal or external, and a brief discussion of any material unused sources of liquidity, as of the latest practicable date, including a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity as at the date of lodgment of the prospectus is sufficient for at least the next 12 months present requirements—and, if insufficient, how the additional working capital, considered by the directors or equivalent persons to be necessary, is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgment of the prospectus shall not be included, but net proceeds from the offer may be taken

into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an explicit condition of the offer that minimum net proceeds are to be raised and that the application monies will be returned to investors if the minimum net proceeds are not raised;

- (b) an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —
 - (i) each financial year for which audited cash flow statements have been included in the prospectus; and
 - (ii) if an interim cash flow statement has been included in the prospectus, the period covered by the interim cash flow statement;
- (c) the nature and extent of any legal, financial or economic restriction on the ability of a subsidiary or subsidiary entity of the relevant entity to transfer funds to the relevant entity in the form of cash dividends, loans or advances, and the impact such restrictions have had or are expected to have on the ability of the relevant entity to meet its cash obligations;
- (d) the level of borrowings as at the end of the most recent completed financial year or, if any interim financial statements have been included, the period covered by the interim financial statements, the extent to which the borrowings are at a fixed rate, and the maturity profile of the borrowings and committed borrowing facility, with a description of any restriction on its use;
- (e) if the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of debentures or units of debentures, as the case may be, of the relevant entity —
 - (i) a statement of that fact;
 - (ii) details of the credit arrangement or bank loan; and
 - (iii) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable); and
- (f) in the case of a guaranteed debenture issue, the information referred to in sub-paragraphs (a) to (e) in respect of the guarantor entity.

6. Provide information on —

- (a) any material capital investment, including the amount invested, from the end of the period covered by the most recent financial statements included in the prospectus (whether such financial statements are annual financial statements or interim financial statements) to and including the latest practicable date;
- (b) any material commitment for capital expenditures as of the latest practicable date, including the general purpose of such commitment and the anticipated source of funds needed to fulfil such commitment; and
- (c) any other material capital investment which is being planned for or in progress as of the latest practicable date, including the method of financing.

~~any material commitment for capital expenditures as of the latest practicable date and indicate the general purpose of such commitment and the anticipated source of funds needed to fulfil such commitment.~~

(53) Explanatory Note: Amendments to paragraph 6 are proposed to consolidate all relevant disclosure requirements relating to material capital expenditures in one paragraph. Disclosure on planned divestments is proposed to be made non-mandatory as such information is generally not significant to debenture holders. Where such divestments is material to the evaluation of the issuer's solvency or its ability to fulfil its obligations to debenture holders, the issuer would have to make relevant disclosures under proposed new paragraph 1(d) above.

6A. Where the amount of trade receivables is material, provide information on the relevant entity's credit policy, the circumstances under which credit terms may be extended, the average collection period for each of the 3 most recent completed financial years and, if any interim financial statements have been included in the prospectus, the interim period, and any significant exposure to doubtful trade receivables for each of the 3 most recent completed financial years and, if any interim financial statements have been included in the prospectus, the interim period. If the amount of trade receivables as at the end of the most recent completed financial year or, if interim financial statements have been included, as at the end of the interim period, was significant, state the amount which has been collected as of the latest practicable date.

6.7. In paragraphs 5, ~~and 6~~ and 6A of this Part, a reference to the relevant entity shall, if the relevant entity is the holding company or holding entity of a group, be a reference to the group.

Trend Information and Profit Forecast or Profit Estimate

8. Where there has been a material adverse change in the business and financial prospects since the end of the period covered by the most recent financial statements included in the prospectus (whether such financial statements are annual financial statements or interim financial statements), provide details of this material adverse change. If there has been no material adverse change, provide an appropriate statement to that effect.

8A. Discuss,~~for at least the current financial year, the business and financial prospects, as well as~~ any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that would cause financial information disclosed in the prospectus to be not necessarily indicative of the future operating results or financial condition of the relevant entity. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.

(54) Explanatory Note: Amendments to paragraph 8 are proposed to reduce the amount of details which the issuer has to provide in respect of its discussion on business and financial prospects. Specifically, it is proposed that a detailed discussion would be required only if there has been a material adverse change to its prospects. This is in line with the approach taken in the EU/UK.

7.9. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

8.10. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 9 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.

9.11. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 10 of this Part —

(a) a statement by the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) to the offer, or any other person whose profession or reputation gives authority to the statement made by him; —

(i) that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or

~~(i)~~(ii) to the effect that, on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 9 of this Part, no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

~~(a)~~(b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 9 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

~~10.12.~~ Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 10 of this Part —

(a) a statement by the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 9 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

(b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 9 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

~~11.13.~~ In paragraphs 8A, 10, 11 and 12 of this Part, a reference to the relevant entity shall, if the relevant entity is the holding company or holding entity of a group, be a reference to the group.

PART VI
CONTROLLING PERSONS, DIRECTORS, KEY EXECUTIVES AND
EMPLOYEES

Directors and Key Executives

1. Provide the following information with respect to each of the directors or equivalent persons and key executives of the relevant entity:

- (a) name, details of educational and professional qualifications, if any, and areas of expertise or responsibility in the relevant entity or, if the relevant entity is the holding company or holding entity of a group, in the group; and
- (b) each significant business activity performed outside the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the group and each principal directorship or equivalent position held at present ~~or in the last 5 years~~ other than in the relevant entity.

(55) Explanatory Note: Amendments to paragraph 1(b) are proposed to remove the requirement for the issuer to disclose the list of past directorships of its directors and key executives as such information is not significant to debenture holders.

Controlling Persons

2. To the extent known to the relevant entity, state whether the relevant entity is directly or indirectly owned or controlled, whether severally or jointly, by any person or government, and if so, give the name of such person or government, and briefly describe the nature of such control, including the amount and proportion of capital held giving a right to vote.

Material Background Information

3. Disclose the following matters concerning a director or an equivalent person, a key executive, or a controlling shareholder or controlling interest-holder of the relevant entity:

- (a) whether at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;

- (b) whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
- (c) whether there is any unsatisfied judgment against him;
- (d) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
- (e) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
- (f) whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (g) whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

- (i) whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;
- (j) whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of —
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust;

- (k) whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Service Contracts

4. Provide details of any existing or proposed service contract entered or to be entered into by the directors or equivalent persons of the relevant entity with the relevant entity or its subsidiary or subsidiary entity which provide for benefits upon termination of employment, or an appropriate negative statement.

PART VII

INTERESTED PERSON TRANSACTIONS AND INTERESTS OF EXPERTS, UNDERWRITERS AND FINANCIAL ADVISERS

Interested Person Transactions

1. Provide the following information with respect to each transaction or loan, or proposed transaction or loan, between the beginning of the 2 most recent

completed financial years and the latest practicable date, and between the entity at risk and an interested person of the relevant entity, which are material in the context of the offer:

- (a) the nature of the transaction and the quantum involved; and
 - (b) the amount of the loan (including a guarantee of any kind) made by the entity at risk or interested person to or for the benefit of the interested person or entity at risk respectively, such information to include the largest amount outstanding during the period covered, the amount outstanding as at the latest practicable date, the nature of the loan and the transaction in which it was incurred, and the interest rate on the loan.
2. For each transaction referred to in paragraph 1 of this Part —
- (a) that has been completed or will be completed at or before the close of the offer, disclose whether or not the transaction has been or will be carried out on an arm's length basis;
 - (b) that will continue after the close of the offer, disclose —
 - (i) whether or not the transaction has been carried out on an arm's length basis; and
 - (ii) the procedure undertaken or which will be undertaken to ensure that such transaction will be carried out on an arm's length basis; or
 - (c) that has been proposed, disclose the procedure which will be undertaken to ensure that such transaction will be carried out on an arm's length basis.
3. For each loan referred to in paragraph 1 of this Part —
- (a) that has been repaid or will be repaid at or before the close of the offer, disclose whether or not the loan was made on an arm's length basis;
 - (b) that is to be repaid, whether partly or wholly, after the close of the offer, disclose —
 - (i) whether or not the loan was made on an arm's length basis; and
 - (ii) when the loan is intended or required to be repaid; or
 - (c) that has been proposed, disclose the procedure which will be undertaken to ensure that such loan will be made on an arm's length basis.

4. Where transactions or loans between the entity at risk and an interested person of the relevant entity are similar and recurring in nature or could otherwise be grouped in a meaningful manner, the information required with respect to the transactions or loans in paragraphs 1, 2 and 3 of this Part should be provided on an aggregate basis, if the aggregate of these transactions or loans are material in the context of the offer.

Interests of Experts

5. If an expert named in the prospectus —

- (a) is employed on a contingent basis by the relevant entity or its subsidiary or subsidiary entity;
- (b) has a material interest, whether direct or indirect, in the shares, equity interests or debentures of the relevant entity or its subsidiary or subsidiary entity; or
- (c) has a material economic interest, whether direct or indirect, in the relevant entity, including an interest in the success of the offer,

describe the nature and terms of such contingency or interest.

Interests of Underwriters or Financial Advisers

6. If, in the reasonable opinion of the directors or equivalent persons, any underwriter, ~~or other~~ financial adviser, or consultant engaged by the relevant entity in relation to the offer has a material relationship with the relevant entity, describe the nature and terms of such relationship.

PART VIII

FINANCIAL INFORMATION

1.—(1) In this Part, unless the context otherwise requires —

“annual financial statements” means any annual financial statements of the relevant entity or, where the relevant entity is a holding company or holding entity, any annual consolidated financial statements of the relevant entity or any annual combined financial statements of the group;

“auditor” or “auditors” includes, where the relevant entity has engaged any auditor other than its own in relation to any requirement under this Part, that auditor;

“common control business” means a business which —

- (a) at the time of registration of the prospectus, had been acquired by the relevant entity or any other entity in the group; and
- (b) immediately prior to its acquisition by the relevant entity or other entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant entity;

“common control business trust” means a business trust which —

- (a) at the time of registration of the prospectus, had been acquired by the relevant entity or any other entity in the group; and
- (b) immediately prior to its acquisition by the relevant entity or other entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant entity;

“common control entity” means an entity which —

- (a) at the time of registration of the prospectus, had been acquired by the relevant entity or any other entity in the group; and
- (b) immediately prior to its acquisition by the relevant entity or other entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant entity;

“group” means —

- (a) where the relevant entity is a corporation, the group of which the relevant entity is the holding company; or
- (b) where the relevant entity is not a corporation, the group of which the relevant entity is the holding entity;

“interim financial statements” means any interim financial statements of the relevant entity or, where the relevant entity is a holding company or holding entity, any interim consolidated financial statements of the relevant entity or any interim combined financial statements of the group;

“pro forma financial statements” means any pro forma financial statements of the relevant entity or, where the relevant entity is a holding company or holding entity, of the group;

“underlying financial statements”, in relation to any financial statements which have been restated pursuant to paragraph 9(b)(i) of this Part

(referred to in this definition as the restated financial statements), means the financial statements that form the basis for the restated financial statements.

(2) For the purposes of this Part, a person controls an entity, a business or a business trust if —

- (a) subject to sub-paragraph (b), under the accounting standards adopted by the relevant entity in the preparation of its annual financial statements; or
- (b) where those annual financial statements have been restated pursuant to paragraph 9(b)(i) of this Part, under the body of accounting standards in accordance with which those annual financial statements have been restated,

had the relevant entity been a holding company or holding entity, the person would have been treated, in the preparation of any consolidated financial statements of the relevant entity or any combined financial statements of the group, as having the capacity to determine the outcome of decisions on the financial and operating policies relating to the entity, business or business trust.

2. In the case of a guaranteed debenture issue, the information required under this Part shall also be given of the guarantor entity.

Audited Financial Information

3. Subject to paragraphs 4 and 8 of this Part, provide —

- (a) in a case where the relevant entity or, if the relevant entity is a holding company or holding entity, the relevant entity or any other entity in the group has acquired **any** common control entity, common control business or common control business trust between the beginning of the period comprising the 2 most recent completed financial years of the relevant entity or group, as the case may be, and the date of registration of the prospectus by the Authority —
 - (i) the annual financial statements of the relevant entity or, if the relevant entity is a holding company or holding entity, its annual consolidated financial statements or the annual combined financial statements of the group for the 2 most recent completed financial years; or
 - (ii) where —
 - (A) the relevant entity has been in existence for less than 2 completed financial years or, if the relevant entity is a holding company or holding entity, neither the relevant entity nor any

other entity in the group has been in existence for at least 2 completed financial years; and

- (B) no common control entity, common control business or common control business trust has been held and controlled, whether directly or indirectly, by a person who controls the relevant entity as at the end of the earliest of the 2 most recent completed financial years,

the annual financial statements of the relevant entity or, if the relevant entity is a holding company or holding entity, its annual consolidated financial statements or the annual combined financial statements of the group for each financial year beginning with the financial year in which —

- (AA) the relevant entity or, if the relevant entity is a holding company or holding entity, the relevant entity or any other entity in the group came into existence; or

- (BB) any of the common control entities, common control businesses or common control business trusts was first held and controlled by a person who controls the relevant entity,

whichever is earlier; or

- (b) in any other case, the annual financial statements of the relevant entity or, if the relevant entity is a holding company or holding entity, its annual consolidated financial statements for the 2 most recent completed financial years or, where the relevant entity has been in existence for less than 2 completed financial years, for each of the financial years during which it has been in existence.

4. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year —

- (a) the annual financial statements for the most recent completed financial year need not be provided under paragraph 3 of this Part;
- (b) a reference to the 2 most recent completed financial years in paragraphs 3 and 8 of this Part shall be construed as a reference to the 2 completed financial years immediately preceding the most recent completed financial year; and
- (c) a reference to the most recent completed financial year in paragraphs 3 and 6 of this Part shall be construed as a reference to the financial year immediately preceding the most recent completed financial year.

5. The annual financial statements to be provided under paragraph 3(a) of this Part shall be prepared as if the common control entities, common control businesses or common control business trusts were, at the time they were held and controlled, whether directly or indirectly, by a person who controls the relevant entity, a part of the relevant entity or the group, as the case may be, for the relevant financial periods.

6. If any annual financial statements to be provided under paragraph 3 of this Part relate to a period other than 12 months due to a change in the financial year end of the relevant entity or the group, as the case may be, the annual financial statements in respect of that financial year and the financial years preceding that financial year shall be provided on a restated 12-month basis, so that the financial year end for each of the restated financial statements corresponds to the financial year end for the most recent completed financial year.

7. For the avoidance of doubt, where the relevant entity or any other entity in the group has acquired any asset or any entity, business or business trust (other than a common control entity, common control business or common control business trust), the annual financial statements to be provided under paragraph 3 of this Part shall include such asset, entity, business or business trust only from the date of its acquisition by the relevant entity or the other entity in the group, as the case may be.

8. The annual financial statements of the relevant entity or the group, as the case may be, need not be provided under paragraph 3 of this Part in respect of any financial year in which —

(a) the relevant entity and, if the relevant entity had acquired any common control business between the beginning of the period comprising the 2 most recent completed financial years and the date of registration of the prospectus by the Authority, all such common control businesses; or

(b) where the relevant entity is a holding company or holding entity, the group and, if the relevant entity or any other entity in the group had acquired any common control entity, common control business or common control business trust between the beginning of the period comprising the 2 most recent completed financial years and the date of registration of the prospectus by the Authority, all such common control entities, common control businesses and common control business trusts,

were dormant or had not commenced any activity as at the end of that financial year.

9. Each of the annual financial statements to be provided under paragraph 3 of this Part must be —

- (a) prepared in accordance with the ~~[●New Framework]~~Financial Reporting Standards (referred to in this Part as FRS), the International Financial Reporting Standards (referred to in this Part as IFRS) or the US Generally Accepted Accounting Principles (referred to in this Part as US GAAP); or
- (b) where the annual financial statements are not prepared in accordance with any body of accounting standards referred to in sub-paragraph (a) —
 - (i) restated in accordance with any body of accounting standards referred to in sub-paragraph (a);
 - (ii) if no material adjustments are required to restate the annual financial statements in accordance with any body of accounting standards referred to in sub-paragraph (a), accompanied by an opinion from the auditors that this is so; or
 - (iii) prepared in accordance with such other body of accounting standards as may be approved in any particular case by the Authority.

(56) Explanatory Note: Singapore incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore (“Listed Singapore Companies”), are required by the Accounting Standards Council to apply a new Singapore financial reporting framework (“New Framework”) (that is identical to IFRS) for financial years beginning on or after 1 January 2018. Accordingly, MAS is proposing to replace existing references to “FRS” with “New Framework”. These amendments are intended to facilitate comparability between financial information (including annual financial statements) in prospectuses accompanying offers by Listed Singapore Companies with financial information available post offering.

9A. Notwithstanding paragraph 9 of this Part, an annual financial statement to be provided under paragraph 3 of this Part may be prepared in accordance with the Financial Reporting Standards (referred to in this Part as FRS), provided that

==

(a) the financial year covered by that annual financial statement begins before 1 January 2018;

(b) where the financial years covered by all the annual financial statements to be provided under paragraph 3 of this Part begin before 1 January 2017, the prospectus discloses the following —

- (i) the qualitative information on the prospective changes from FRS to [●New Framework], including a discussion of the impact that initial application of the [●New Framework] is expected to have on the financial statements;
- (ii) an audited reconciliation of net profit after tax of the most recent completed financial year prepared in accordance with FRS, to [●New Framework]; and
- (iii) an audited reconciliation of net assets of the most recent completed financial year prepared in accordance with FRS, to [●New Framework]; and

(c) where the financial year covered by one of the annual financial statements to be provided under paragraph 3 of this Part begins on or after 1 January 2017 but before 1 January 2018, the prospectus discloses the following —

- (i) the annual financial statements covering the financial years beginning before 1 January 2017, if any, prepared in accordance with FRS;
- (ii) the annual financial statement covering the financial year beginning on or after 1 January 2017 but before 1 January 2018 prepared in accordance with FRS, and accompanied by —
 - (A) an audited reconciliation of the statement of profit or loss and other comprehensive income prepared in accordance with FRS, to [●New Framework];
 - (B) an audited reconciliation of the statement of cash flows prepared in accordance with FRS, to [●New Framework];
 - (C) an audited reconciliation of the statement of financial position prepared in accordance with FRS, to [●New Framework];
 - (D) an audited reconciliation of the statement of changes in equity prepared in accordance with FRS, to [●New Framework];

(E) notes to describe any differences between the financial figures prepared in FRS and those in the [●New Framework], and

(~~+~~)(iii) the annual financial statements covering the financial years beginning on or after 1 January 2018, if any, prepared in accordance with the [●New Framework].

(57) Explanatory Note: New paragraph 9A is proposed to provide companies that currently prepare annual financial statements in FRS and that are targeting to issue publicly traded debt shortly after the New Framework comes into effect, with transitional relief from restating up to two years of historical annual financial statements from FRS to the New Framework pursuant to the amendments in paragraph 9. Companies have the option of using the transitional relief, or restating up to two years of historical annual financial statements.

10. State, in respect of each financial year, the body of accounting standards that was adopted by the relevant entity in the preparation of the annual financial statements to be provided under paragraph 3 of this Part for that financial year and, where the annual financial statements have been restated pursuant to paragraph 9(b)(i) of this Part, the body of accounting standards in accordance with which the underlying financial statements have been restated.

11. Each of the annual financial statements to be provided under paragraph 3 of this Part or, where the annual financial statements have been restated pursuant to paragraph 9(b)(i) of this Part, the underlying financial statements must be audited in accordance with —

- (a) the Singapore Standards on Auditing (referred to in this Part as SSA), the International Standards on Auditing (referred to in this Part as ISA) or the US Generally Accepted Auditing Standards (referred to in this Part as US GAAS);
- (b) any body of auditing standards which is not materially different from any body of auditing standards referred to in sub-paragraph (a) to the extent applicable to the audit of the annual financial statements; or
- (c) such other body of auditing standards as may be approved in any particular case by the Authority.

12. State, in respect of each financial year, the body of auditing standards that was adopted by the auditors of the relevant entity in the audit of the annual financial statements to be provided under paragraph 3 of this Part for that financial year or, where the annual financial statements have been restated pursuant to paragraph 9(b)(i) of this Part, the body of auditing standards that was adopted in the audit of the underlying financial statements.

13. Where any annual financial statements to be provided under paragraph 3 of this Part or, if the annual financial statements have been restated pursuant to paragraph 9(b)(i) of this Part, the underlying financial statements are audited in accordance with any body of auditing standards referred to in paragraph 11(b) of this Part, include in the prospectus an opinion from the auditors of the relevant entity that there are no material differences between the body of auditing standards adopted in the audit of the annual financial statements or underlying financial statements, as the case may be, and the SSA, ISA or US GAAS to the extent applicable to the audit of the annual financial statements or underlying financial statements.

14. Subject to paragraph 15 of this Part, each of the annual financial statements to be provided under paragraph 3 of this Part shall be accompanied by —

- (a) the audit report in respect of the annual financial statements or, if the auditors have refused to issue an audit report in respect of the annual financial statements, a statement highlighting and providing the reasons for the auditors' refusal;
- (b) a statement identifying the auditors who audited the annual financial statements and the membership or memberships of each auditor in any professional body or bodies; and
- (c) if the audit report in respect of the annual financial statements contains any material qualification, modification or disclaimer, a statement highlighting and providing the reasons for the qualification, modification or disclaimer in the prospectus.

15. Where any annual financial statements have been restated pursuant to paragraph 9(b)(i) of this Part, state that fact and include in the prospectus in respect of each of the restated financial statements —

- (a) an opinion from the auditors of the relevant entity that nothing has come to their attention that causes them to believe that the restated annual financial statements have not been properly restated in all material

respects in accordance with a body of accounting standards referred to in paragraph 9(a) of this Part;

- (b) a statement of reconciliation between the restated annual financial statements and the audited underlying financial statements;
- (c) a statement identifying the auditors who audited the underlying financial statements and the membership or memberships of each auditor in any professional body or bodies;
- (d) a statement that the underlying financial statements have been audited in accordance with the relevant auditing standards; (e) either of the following:
 - (i) a statement that the audit report for the underlying financial statements does not contain any material qualification; or
 - (ii) if the audit report for the underlying financial statements contains any material qualification, modification or disclaimer, a statement setting out in full and providing the reasons for the qualification, modification or disclaimer, as the case may be;
- (f) a statement that the auditor for the underlying financial statements has given, and has not withdrawn, his written consent to the issue of the prospectus with the inclusion of the statements referred to in sub-paragraphs (c), (d) and (e) in the form and context in which they are included in the prospectus; and
- (g) a statement that copies of the audited underlying financial statements are available for inspection at a specified place in Singapore for a period of at least 6 months from the date of registration of the prospectus by the Authority.

16. The annual financial statements to be provided under paragraph 3 of this Part or, where annual financial statements have been restated pursuant to paragraph 9(b)(i) of this Part, the underlying financial statements shall be made up to a date not earlier than 12 months before the date of lodgment of the prospectus.

Interim Financial Information

17. If the date of lodgment of the prospectus is more than 6 months after the end of the most recent completed financial year for which audited financial statements have been prepared, provide the interim financial statements of the

relevant entity or, where the relevant entity is a holding company or holding entity, of the group in accordance with paragraphs 18, 19 and 20 of this Part.

18. If the date of lodgment of the prospectus is more than 6 months but not more ~~less~~ than 9 months after the end of the most recent completed financial year for which audited financial statements have been prepared —

- (a) the interim financial statements to be provided under paragraph 17 of this Part shall cover at least the first 3 months of the current financial year;
- (b) the interim financial statements shall be reviewed by the auditors of the relevant entity but need not be audited; and
- (c) the fact that the interim financial statements have only been reviewed but not audited shall be stated.

19. If the date of lodgment of the prospectus is more than 9 months but not more ~~less~~ than 12 months after the end of the most recent completed financial year for which audited financial statements were prepared —

- (a) the interim financial statements to be provided under paragraph 17 of this Part shall cover at least the first 6 months of the current financial year;
- (b) the interim financial statements shall be reviewed by the auditors of the relevant entity but need not be audited; and
- (c) the fact that the interim financial statements have only been reviewed but not audited shall be stated.

20. If the date of lodgment of the prospectus is more than 12 months but not more ~~less~~ than 15 months after the end of the most recent completed financial year for which audited financial statements were prepared —

- (a) the interim financial statements to be provided under paragraph 17 of this Part shall cover at least the first 9 months of the most recent completed financial year;
- (b) the interim financial statements for at least the first 3 months of the most recent completed financial year shall be audited;
- (c) the interim financial statements for the remaining months of the period covered by the interim financial statements referred to in subparagraph (a) ~~most recent completed financial year~~ shall be reviewed by the auditors of the relevant entity but need not be audited; and
- (d) the fact that the interim financial statements for the remaining months of the period covered by the interim financial statements referred to in

subparagraph (a) ~~most recent completed financial year~~ have only been reviewed but not audited shall be stated.

21. The interim financial statements provided shall be prepared in a format similar to the format of the audited financial statements for the most recent financial year provided under paragraph 3 read with paragraphs 9 and 9A of this Part.

(58) Explanatory Note: Amendments to paragraph 21 are proposed for clarity.

21A. Notwithstanding paragraph 21, the interim financial statements provided shall be prepared in accordance with the [●New Framework], if:

- (a) the audited financial statements for the most recent completed financial year provided under paragraph 3 read with paragraphs 9 and 9A of this Part are prepared in accordance with FRS; and
- (b) the interim financial statements cover a period beginning on or after 1 January 2018.

(59) Explanatory Note: New paragraph 21A is proposed to clarify that interim financial statements covering periods beginning on or after 1 January 2018, and its comparative, should be prepared in accordance with the New Framework.

22. Include the following in the interim financial statements:

- (a) comparative figures (other than balance sheet figures) for the same period in the preceding financial year in respect of the relevant entity or, if the relevant entity is a holding company or holding entity, of the group, unless annual financial statements of the relevant entity or group, as the case may be, have not been provided for the preceding financial year; and
- (b) selected note disclosures that explain any event or change which is significant to the understanding of any change in the financial position and results of the relevant entity or, if the relevant entity is a holding

company or holding entity, of the group since the last annual reporting date.

23. Include in the prospectus —

- (a) a report by the auditors of the relevant entity on the audit of the interim financial statements; or
- (b) if the interim financial statements are not audited, a report by the auditors on the review of the interim financial statements.

Pro Forma Financial Information

24. Where —

- (a) the relevant entity, or, if the relevant entity is a holding company or holding entity, the relevant entity or any other entity in the group, has —
 - (i) acquired or disposed of any asset or any entity, business or business trust (other than a common control entity, common control business or common control business trust); or
 - (ii) entered into any agreement to acquire or dispose of any asset or any entity, business or business trust (whether or not that entity, business or business trust is a common control entity, common control business or common control business trust),

during the period between the beginning of the most recent completed financial year and the date of registration of the prospectus by the Authority and —

- (A) the net book value, or the absolute amount of the profit or loss before tax, of that asset, entity, business or business trust has or would have accounted for 10% or more of the absolute amount of the net assets or net liabilities, or the profit or loss before tax, respectively, of the relevant entity or of the group (after adjusting for the effects of the group restructuring, where applicable), as the case may be, in respect of the most recent completed financial year; or
- (B) the total net book value, or the total absolute amount of the profit or loss before tax, of all of those assets, entities, businesses and business trusts together have or would have accounted for 20% or more of the absolute amount of the net assets or net liabilities, or the profit or loss before tax, respectively, of the relevant entity or of the group (after adjusting for the effects of the group

restructuring, where applicable), as the case may be, in respect of the most recent completed financial year; or

- (b) any significant change to the capital structure (including any material distribution) of the relevant entity, or, if the relevant entity is a holding company or holding entity, of the relevant entity or of any other entity or any business trust in the group, has occurred during the period between the end of the most recent completed financial year and the date of registration of the prospectus by the Authority,

provide pro forma financial statements for the most recent completed financial year and, if interim financial statements of the relevant entity or of the group have been included in the prospectus, for the period covered by the interim financial statements.

24A. The pro forma financial statements required under paragraph 23(a) of this Part need not be provided if the acquisition or disposal, or agreement to acquire or dispose of any asset or business, was in relation to —

- (a) a new production line;
- (b) construction-in-progress; or
- (c) any other machinery or equipment,

which was, or was to be, acquired or disposed of in the ordinary course of business by the relevant entity or, if the relevant entity is a holding company, any other entity in the group, for which disclosures have been made under paragraph 6(b) of Part V.

25. The pro forma profit and loss statement and pro forma cash flow statement shall be prepared —

- (a) for the most recent completed financial year; and
- (b) where any interim financial statements have been provided (whether under paragraph 17 of this Part or otherwise), for the period covered by the interim financial statements,

as if the acquisition, disposal or significant change had occurred at the beginning of the most recent completed financial year.

26. The pro forma balance sheet shall be prepared —

- (a) as at the end of the most recent completed financial year as if the acquisition, disposal or significant change had occurred at the end of that financial year; and

- (b) where any interim financial statements have been provided (whether under paragraph 17 of this Part or otherwise), as at the end of the period covered by the interim financial statements, as if the acquisition, disposal or significant change had occurred at the end of the period.

26A. The pro forma profit and loss statement and pro forma cash flow statement need not be provided under paragraph 24 —

- (a) for the most recent completed financial year, where the asset, entity, business or business trust that is the subject of the acquisition, disposal, or agreement for acquisition or disposal was inactive for the whole of that financial year; and
- (b) for the period covered by the interim financial statements (if applicable), where the asset, entity, business or business trust was inactive for the whole of the period covered by the interim financial statements.

26B. For the purposes of paragraph 25A of this Part —

- (a) an asset is inactive if it is not being used in the course or furtherance of a business;
- (b) a business is inactive if —
- (ii) it has not commenced; or
- (iii) it is dormant;
- (c) an entity or a business trust is inactive if it is dormant.

27. Where the prospectus includes an opinion of the auditors of the relevant entity that the pro forma profit and loss statement, cash flow statement or balance sheet in respect of the most recent completed financial year or, where any interim financial statements have been provided (whether under paragraph 17 of this Part or otherwise), in respect of the period covered by the interim financial statements, is the same, in all material respects, as the audited annual or interim profit and loss statement, cash flow statement or balance sheet of the relevant entity, or the audited annual or interim consolidated profit and loss statement, cash flow statement or balance sheet of the relevant entity, or the audited annual or interim combined profit and loss statement, cash flow statement or balance sheet of the group, as the case may be, which has been included in the prospectus, the pro forma profit and loss statement, cash flow statement or balance sheet, as the case may be, for that financial year or period need not be provided.

28. In respect of the pro forma financial statements required under paragraph 24 of this Part, state —

- (a) that they are prepared for illustrative purposes only and are based on certain assumptions, after making certain adjustments, to show —
 - (i) what the financial results and cash flows of the relevant entity or the group, as the case may be, for the most recent completed financial year and, where applicable, the period covered by the interim financial statements would have been, if the acquisition, disposal or significant change had occurred at the beginning of that financial year; and
 - (ii) what the financial position of the relevant entity or the group, as the case may be, would have been —
 - (A) as at the end of the most recent completed financial year, if the acquisition, disposal or significant change had occurred at the end of that financial year; and
 - (B) where applicable, as at the end of the period covered by the interim financial statements, if the acquisition, disposal or significant change had occurred at the end of that period;
- (b) that because of their nature, they may not give a true picture of the actual financial position or results of the relevant entity or the group, as the case may be;
- (c) the basis upon which they are prepared, including the source of each item of information; and
- (d) any material adjustment made to any information used in the preparation of the pro forma financial statements and the reason for making that adjustment.

29. Where pro forma financial statements have been provided for any reason referred to in paragraph 24(a) of this Part, with respect to the pro forma financial statements —

- (a) identify each asset, entity, business or business trust referred to in paragraph 24(a)(i) and (ii) of this Part;
- (b) provide a statement that the pro forma financial statements included in the prospectus have been properly prepared from financial statements relating to —
 - (i) the assets, entities, businesses and business trusts in the group; and

- (ii) the assets, entities, businesses and business trusts referred to in paragraph 24(a)(i) and (ii) of this Part;
- (c) provide a statement —
- (i) that the financial statements relating to the assets, entities, businesses and business trusts referred to in paragraph 24(a)(i) and (ii) of this Part (each being an asset, an entity, a business or a business trust which has been or will be acquired by the relevant entity or any other entity in the group) which were used in the preparation of the pro forma financial statements were prepared in accordance with the [●New Framework]FRS, IFRS or US GAAP; or
 - (ii) where the financial statements relating to any asset, entity, business or business trust referred to in paragraph 24(a)(i) and (ii) of this Part (being an asset, an entity, a business or a business trust which has been or will be acquired by the relevant entity or any other entity in the group) which were used in the preparation of the pro forma financial statements were not prepared in accordance with any body of accounting standards referred to in sub-paragraph (c)(i), in respect of each such asset, entity, business or business trust —
 - (A) that the financial statements relating to that asset, entity, business or business trust were restated in accordance with any body of accounting standards referred to in sub-paragraph (c)(i);
 - (B) that the financial statements relating to that asset, entity, business or business trust were prepared in accordance with such other body of accounting standards as may be approved in any particular case by the Authority; or
 - (C) if no material adjustments are required to restate the financial statements relating to that asset, entity, business or business trust in accordance with any body of accounting standards referred to in sub-paragraph (c)(i), that no material adjustments would be required to restate those financial statements to be in accordance with that body of accounting standards,
- and that the financial statements relating to all other assets, entities, businesses and business trusts referred to in paragraph

24(a)(i) and (ii) of this Part (each being an asset, an entity, a business or a business trust which has been or will be acquired by the relevant entity or any other entity in the group) which were used in the preparation of the pro forma financial statements were prepared in accordance with a body of accounting standards referred to in sub-paragraph (c)(i);

(d) state, in respect of each of the financial statements relating to the assets, entities, businesses and business trusts referred to in paragraph 24(a)(i) and (ii) of this Part (each being an asset, an entity, a business or a business trust which has been or will be acquired by the relevant entity or any other entity in the group) which were used in the preparation of the pro forma financial statements, the body of accounting standards that was adopted in the preparation of the financial statements and, where the financial statements have been restated pursuant to sub-paragraph (c)(ii)(A), the body of accounting standards in accordance with which the financial statements have been restated.

29A. Notwithstanding paragraph 29(c)(i), where the financial year or interim period covered by a pro forma financial statement begins before 1 January 2018, the financial statements relating to the assets, entities, businesses and business trusts referred to in paragraph 24(a)(i) and (ii) of this Part which were used in the preparation of the pro forma financial statement may, for the purposes of paragraph 29(c), be prepared or restated in accordance with the FRS.

(60) Explanatory Note: New paragraph 29A is proposed to clarify that the financial statements relating to the assets, entities, business and business trusts referred to in paragraph 24(a)(i) and (ii) of this Part may be prepared or restated in accordance with the FRS if the financial statements were used to prepare a pro forma financial statement that covers a financial year or interim period beginning before 1 January 2018, and that the statements required under paragraph 29(c) may accordingly refer to FRS for such a case.

30. In respect of each of the financial statements relating to the assets, entities, businesses and business trusts referred to in paragraph 24(a)(i) and (ii) of this Part (each being an asset, an entity, a business or a business trust which has been or will be acquired by the relevant entity or any other entity in the group) which are

used in the preparation of the pro forma financial statements, state whether or not the financial statements are audited.

31. In respect of each of the audited financial statements relating to the assets, entities, businesses and business trusts referred to in paragraph 24(a)(i) and (ii) of this Part (each being an asset, an entity, a business or a business trust which has been or will be acquired by the relevant entity or any other entity in the group) which are used in the preparation of the pro forma financial statements —

- (a) state the body of auditing standards that was adopted by the auditors in the audit of the financial statements; and
- (b) provide a statement identifying the auditors who audited the financial statements, together with the membership or memberships of each auditor in a professional body.

32. Include, in the prospectus —

- (a) a statement that the audit reports for the financial statements referred to in paragraph 31 of this Part do not contain any material qualification; or
- (b) if any of those audit reports contains any material qualification, modification or disclaimer, a statement —
 - (i) setting out in full the qualification, modification or disclaimer; and
 - (ii) providing the reason for the qualification, modification or disclaimer.

33. Include, in the prospectus, an opinion from the auditors of the relevant entity, that —

- (a) the pro forma financial statements have been properly prepared —
 - (i) on the basis referred to in paragraph 28(c) of this Part; and
 - (ii) where the pro forma financial statements have been provided for any reason referred to in paragraph 24(a) of this Part, in accordance with the matters referred to in the statements under paragraph 29(b) and (c) of this Part; and
- (b) each material adjustment made to the information used in the preparation of the pro forma financial statements is appropriate for the purpose of preparing such financial statements and in accordance with —
 - (i) generally accepted auditing standards in Singapore; or

- (ii) such other body of auditing standards as may be approved in any particular case by the Authority.

34. The pro forma financial statements to be provided under paragraph 24 of this Part shall —

(a) in the case of annual financial statements, be —

- (i) made up to the date to which the audited financial statements of the relevant entity or the group for the most recent completed financial year have been made up; and
- (ii) prepared in the format similar to the format of the audited financial statement for the most recent completed financial year provided under paragraph 3 read with paragraphs 9 and 9A of this Part; and

(b) in the case of interim financial statements, be —

- (i) made up to the date to which the interim financial statements of the relevant entity or the group have been made up; and
- (ii) prepared in the format similar to the format of the interim financial statements provided under paragraph 21 read with paragraph 21A of this Part.

(61) Explanatory Note: Amendments to paragraph 34 are proposed to clarify the format (including applicable financial reporting framework) to be used in the preparation of pro forma financial statements.

35. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year —

- (a) the pro forma financial statements for the most recent completed financial year need not be provided under paragraph 24 of this Part; and
- (b) the reference to the most recent completed financial year in paragraphs 24 to 28 and 34 shall be construed as a reference to the financial year immediately preceding the most recent completed financial year.

Change in Accounting Policies

36. Where there has been any material change to the relevant entity's accounting policies, provide a summary of the material change and the reason for and quantitative impact of such change on the financial results of the relevant entity or, if the relevant entity is a holding company or holding entity, of the group for each of the 2 most recent completed financial years. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, the reference to the 2 most recent completed financial years in this paragraph shall be a reference to the 2 most recent completed financial years immediately preceding the most recent completed financial year.

Litigation

37. Provide information on any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the prospectus, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity, of the group.

Significant Changes

38. Disclose any event (other than any matter disclosed under paragraph 24 of this Part) that has occurred from the end of the period covered by the most recent financial statements included in the prospectus (whether such financial statements are annual financial statements or interim financial statements) to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, where the relevant entity is a holding company or holding entity, the group or, if there is no such event, provide an appropriate negative statement.

Secured Debentures

39. Provide, in relation to an offer of secured debentures or certificates of debenture stock, a summary by the auditors of the relevant entity showing, in tabular form —

- (a) the aggregate value of the tangible assets owned by the relevant entity;
- (b) the aggregate value of the tangible assets owned by each, or jointly owned by two or more, of its guarantor entities; and
- (c) the aggregate value of the tangible assets jointly owned by the relevant entity and one or more of its guarantor entities,

which have been charged to secure the repayment of all or any moneys payable in respect of the secured debentures or certificates of debenture stock, including an explanation of any adjustment made for the purpose of providing a true and fair view of those assets.

40. Show also, in the summary —

- (a) the amounts outstanding of the aggregate amounts borrowed by the relevant entity and by each of its guarantor entities, distinguishing between those amounts outstanding which will rank for repayment in priority to the amount under the proposed issue and those amounts outstanding which will rank for repayment *pari passu* with the amount under the proposed issue;
- (b) where any charge is for a liability the amount of which may vary from time to time, the actual amount of the liability as at the date on which the summary is made and any further amount which may be advanced under that charge; and
- (c) the aggregate amount of advances by the relevant entity to related corporations or related entities of the relevant entity, distinguishing between advances which are secured and advances which are unsecured.

41. The auditors of the relevant entity may explain or qualify, by way of notes or otherwise, any of the matters set out in the summary.

42. Where the tangible assets referred to in paragraph 39 of this Part are in the form of property, provide information on a report of the valuation of the interest of the relevant entity and of each of its guarantor entities in each property charged, showing the nature and extent of the interest of the relevant entity and of each of its guarantor entities, such report to be made not more than 6 months before the date of lodgment of the prospectus by an independent qualified valuer.

PART IX

THE OFFER AND LISTING

Offer Details

1. Where the debentures or units of debentures, as the case may be, are offered at a discount or premium, state the discount or premium and the method for determining such discount or premium~~Indicate the issue premium or discount at which the debentures or units of debentures, as the case may be, are being offered and the amount of any expense specifically charged to the subscriber or purchaser.~~

1A. Indicate the amount of any expense specifically charged to the subscriber or purchaser of the debentures or units of debentures, as the case may be, being offered.

2. Indicate whether the debentures or units of debentures, as the case may be, being offered are in registered or bearer form.

3. Describe the arrangement for transfer and any restriction on the free transferability of the debentures or units of debentures, as the case may be, being offered.

Plan of Distribution

4. Where not all of the debentures or units of debentures, as the case may be, being offered are underwritten or guaranteed, provide a statement of the portion not so underwritten or guaranteed.

5. Where the offer of debentures or units of debentures, as the case may be, is underwritten, provide a brief summary of the features of the underwriting relationship and state whether the arrangement is —

(a) one under which the underwriters are or will be committed to take and to pay for all of the debentures or units of debentures; or

(b) an agency or “best efforts” type of arrangement under which the underwriters are required to take and to pay for only such debentures or units of debentures as they may be able to sell to the public.

5A. State whether or not~~Where~~ the relevant entity reserves the right to accept or retain over-subscriptions ~~and, if the relevant entity reserves such a right, state~~ the limit on the right so reserved expressed as a sum of money. Also, ~~indicate whether if~~ the amount of the debentures or units of debentures, as the case may be, being offered can be increased, such as by the exercise of an underwriter’s over-allotment option or “greenshoe option”, ~~and~~ state the exercise period of and amount under such option.

(62) Explanatory Note: Paragraph 5 is proposed to require the issuer to describe briefly the features of any underwriting arrangement so as to enable investors to assess the underwriters’ financial interest in the success of the offering and listing. This is in line with the IOSCO Disclosure Principles for Debt Offerings.

The proposed amendments in paragraph 5A are mainly drafting amendments to clarify that disclosures would be required only if the

issuer has the right to accept or retain over-subscriptions, or the amount of the debentures or units of debentures could be increased.

6. If applicable, identify any group of targeted potential investors to whom the debentures or units of debentures, as the case may be, are being offered. If the offer is being made simultaneously in the markets of 2 or more countries and if a tranche has been or is being reserved for any of these countries, indicate any such tranche.

7. Indicate the amount, and outline briefly the plan of distribution, of any debentures or units of debentures, as the case may be, that are to be offered otherwise than through underwriters. If the debentures or units of debentures are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

Markets

8. Identify the securitiesapproved exchange or overseas ~~securities~~-exchange on which —

- (a) debentures or units of debentures, as the case may be, of the same class as those being offered are already listed for quotation or quoted, or on which permission to list for quotation or quote the debentures or units of debentures is being or is proposed to be sought; and
- (b) any part of the shares or equity interests of the relevant entity is already listed for quotation or quoted, or on which permission to list for quotation or quote any part of the shares or equity interests is being or is proposed to be sought, specifying the name of the securitiesapproved exchange or overseas ~~securities~~-exchange on which the relevant entity's primary listing is or is to be, or an appropriate negative statement.

9. When permission to list for quotation or quote on any securitiesapproved exchange or overseas ~~securities~~-exchange is being or is proposed to be sought in respect of the first-mentioned debentures or units of debentures in paragraph 8 of this Part, or the debentures or units of debentures which are the subject of the current offer, state that fact without creating the impression that the application for permission will necessarily be approved. If known, provide the dates on which such debentures or units of debentures will be listed for quotation or quoted and on which trading will commence.

PART X
ADDITIONAL INFORMATION

Capital

1. In a case where the relevant entity is a corporation, state the amount of issued share capital in respect of the relevant entity as of the latest practicable date and, for each class of share capital, provide the following information:

- (a) the number of shares issued and fully paid; and
- (b) the number of shares issued but not fully paid.

2. In a case where the relevant entity is not a corporation, state the amount of equity capital in respect of the relevant entity as of the latest practicable date and, for each class of equity capital, provide the following information:

- (a) the amount of equity interests issued and fully paid; and
- (b) the amount of equity interests issued but not fully paid.

3. ~~Provide information on the number and amount of securities or equity interests in the relevant entity which have been issued, or agreed to be issued, in the 2 years before the latest practicable date as fully or partly paid up in cash or otherwise than in cash, and where any of these securities or equity interests are issued as partly paid up in cash, the extent to which they are so paid up. State also the consideration for which such securities or equity interests have been issued or agreed to be issued (whether in cash or otherwise).~~

4. ~~Indicate the number of shares or amount of equity interests in the relevant entity held by or on behalf of the relevant entity itself or by its subsidiary or subsidiary entity.~~

5. ~~Provide the description, number and amount of any securities or equity interests in the relevant entity which any person has, or has the right to be given, an option to subscribe for or purchase, together with the following particulars of the option:~~

- ~~(a) the period during which the option is exercisable;~~
- ~~(b) the exercise price;~~
- ~~(c) the consideration, if any, given or to be given for the option or for the right to the option; and~~
- ~~(d) the identity of the person to whom the option or the right to it was given.~~

6. ~~If the option or right referred to in paragraph 5 of this Part was given to all existing holders of the shares or equity interests in, or debentures of, the relevant entity on a pro rata basis or to employees under an employees' share option or investment scheme, it will be sufficient to state that fact without identifying each holder or employee.~~

(63) Explanatory Note: The requirements in paragraphs 3 to 6 are proposed to be deleted as such information is not significant to debenture holders.

7. Provide an indication of the resolutions, authorisations and approvals by virtue of which any debentures or units of debentures of the relevant entity may be issued, the nature and amount of the issue, and the number of debentures or units of debentures which may be issued, if predetermined.

Constituent Documents of Relevant Entity

8. Provide a summary of the provisions of the relevant entity's constituent documents and bylaws with respect to —

- (a) the borrowing powers exercisable by the directors or equivalent persons of the relevant entity;
- (b) how such borrowing powers may be varied; and
- (c) the number of shares or amount of equity interests, if any, required for qualification as a director or an equivalent person.

Material Contracts

9. Provide a brief summary of each material contract, other than a contract entered into in the ordinary course of business, ~~to which~~ could result in the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group ~~is a party, being under an obligation or entitlement that is material to the ability of the relevant entity to meet its obligations to holders of the debentures or units of debentures, as the case may be for the period of 2 years before the date of lodgment of the prospectus, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.~~

(64) Explanatory Note: Amendments to paragraph 9 are proposed to clarify that the issuer is only required to disclose those material contracts which could result in the relevant entity or any entity in the group being under an obligation or entitlement that is material to the ability of the relevant entity to meet its obligations. This is in line with the requirement prescribed under the EU/UK Prospectus Directive.

Taxation

10. Provide information regarding taxes (including withholding provisions) to which debenture holders of the relevant entity may be subject. If the relevant entity is incorporated outside Singapore, the information shall include whether the relevant entity assumes responsibility for the withholding of tax at source and applicable provisions of any reciprocal tax treaties between the home country of the relevant entity and Singapore, or a statement, if applicable, that there are no such treaties.

Statements by Experts

11. Where a statement or report attributed to a person as an expert is included in the prospectus, provide such person's name, address and qualifications.

12. Where the prospectus contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert — (a) state the date on which the statement was made;

(b) state whether or not it was prepared by the expert for the purpose of incorporation in the prospectus; and

(c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the prospectus with the inclusion of the statement in the form and context in which it is included in the prospectus.

13. The information referred to in paragraphs 11 and 12 of this Part need not be provided in the prospectus if the statement attributed to the expert is a statement to which the exemption under regulation 26(1) applies.

Consents from Issue Managers and Underwriters

14. Where a person is named in the prospectus as the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) or

underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the prospectus as the issue manager or underwriter, as the case may be, to the offer.

Documents for Inspection

15. Provide a statement that for a period of at least 6 months from the date of registration by the Authority of the prospectus, the following documents (or copies thereof), where applicable, may be inspected at a specified place in Singapore:

- (a) the constituent documents of the relevant entity;
- (b) ~~any trust deed, fiscal agency agreement or other document constituting the debentures or units of debentures, as the case may be;~~
- (c) every material contract referred to in the prospectus or, where the contract is not reduced into writing, a memorandum giving full particulars thereof;
- (d) the service contracts of directors or equivalent persons of the relevant entity referred to in the prospectus;
- (e) every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the prospectus;
- (f) if the relevant entity is not the holding company or holding entity of a group, the audited financial statements of the relevant entity for each of the financial years for which audited financial statements of the relevant entity have been included in the prospectus;
- (g) if the relevant entity is the holding company or holding entity of a group, the respective audited financial statements of the entities, businesses or business trusts in the group (being entities, businesses or business trusts which have audited financial statements) for each of the financial years for which audited financial statements of the relevant entity have been included in the prospectus;
- (h) if the relevant entity is the holding company or holding entity of a pro forma group and pro forma financial statements have been included in the prospectus, the respective audited financial statements of the entities, businesses or business trusts in the pro forma group (being entities, businesses or business trusts which have audited financial statements), other than the entities, businesses or business trusts referred to in sub - paragraph (g), for the financial year in respect of which pro forma financial statements have been included in the prospectus;

- (i) any interim financial statements of the relevant entity, group or pro forma group, as the case may be, which are included in the prospectus, whether or not pursuant to Part VIII of this Schedule;
- (j) in the case of a corporation incorporated in Singapore, all notes, reports or information relating to the financial statements referred to in sub-paragraphs (f), (g), (h) and (i) which are required to be prepared under the Companies Act (Cap. 50);
- (k) where the financial statements referred to in this paragraph have been restated pursuant to paragraph 9(b)(i) or 29(c)(ii)(A) of Part VIII of this Schedule, the restated annual financial statements and the audited annual financial statements which form the basis for the restated annual financial statements; and
- (l) in the case of a guaranteed debenture issue, documents (or copies thereof) referred to in sub-paragraphs (f) to (k) of the guarantor entity.

16. Provide a statement that the trust deed, fiscal agency agreement or other document (or a copy thereof) constituting the debentures or units of debentures and in the case of a guaranteed debenture issue, the guarantee and other related documents (or a copy thereof), may be inspected by any person at a specified place in Singapore from the date of registration by the Authority of the prospectus and for as long as any debentures or units of debentures, as the case may be, remain outstanding.

(65) Explanatory Note: Amendments to paragraph 15 and the new paragraph 16 are proposed to clarify that the trust deed, fiscal agency agreement or other document constituting the debentures or units of debentures and in the case of a guaranteed issue, the guarantee and related documents, should be made available for inspection by any person from the date of registration by the Authority and for as long as any debentures or units of debentures remain outstanding.

PART XI

ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

(66) Explanatory Note: The amendments to Part XI are proposed mainly to incorporate the requirements which have been proposed to be removed for offers of debentures or units of debentures as the disclosures required are not significant to debenture holders. As such information may be relevant for investors in shares of the issuer, the requirements are incorporated in this Part.

1. In paragraphs 3C, 4, 5 and 89 to 12 of this Part, a reference to the relevant entity shall, if the relevant entity is the holding company or holding entity of a group, be a reference to the group.

Information on Convertible Debentures

2. Provide information concerning the nature of the securities, securities-based derivatives contracts, equity interests or property offered by way of conversion, exchange, subscription or purchase and the rights attached thereto including, in particular, the voting rights, entitlement to share in profits and, in the event of liquidation, any surplus and any other special rights.

3. Provide information on the terms, conditions and procedures for conversion, exchange, subscription or purchase and details of the circumstances under which they may be amended, including the following information:

- (a) the total number or value of securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase;
- (b) the period during which the conversion, exchange, subscription or purchase right may be exercised and the date on which this right commences;
- (c) the amount payable on the exercise of the conversion, exchange, subscription or purchase right;
- (d) any arrangement for the transfer or transmission of the conversion, exchange, subscription or purchase right;
- (e) the rights of the holders of the debentures or units of debentures in respect of the conversion, exchange, subscription or purchase right on the liquidation of the entity the securities, securities-based derivatives contracts, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase;

- (f) any arrangement for the variation in the subscription price of the securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, or in the exercise price of the convertible debentures, or in the number or value of securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, in the event of any alteration in the capital of the entity the securities, securities-based derivatives contracts, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase; and
- (g) if there is no established market for the securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, the manner of determining the subscription or exercise or conversion price, including who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

Risk Factors

3A. In addition to paragraph 10 of Part IV, disclose in the same section with the heading “Risk Factors”, any other risk factors that are specific to the relevant entity and its industry as well as the securities, securities-based derivative contracts, equity interests or property, as the case may be, into which the convertible debenture may be converted, which had materially affected, or could materially affect, directly or indirectly, the relevant entity’s financial position and results and business operations, and investments by holders of such securities, securities-based derivative contracts, equity interests or property.

Organisational Structure

3B. If the relevant entity is the holding company or holding entity of a group, provide information on every subsidiary and subsidiary entity of the relevant entity whose absolute amount of the net assets, net liabilities or profit or loss before tax accounts for 10% or more of the absolute amount of the net assets, net liabilities or profit or loss before tax, respectively, of the group for any of the 3 most recent completed financial years. Such information shall include the name, country of incorporation or constitution, principal place of business, principal activities, proportion of ownership interest of the relevant entity and, if different, proportion of voting power held by the relevant entity.

Material Divestments

3C. Provide a description of any divestment of material capital investment by the relevant entity which is being planned for or in progress, including the geographical location of the investment.

Research and Development

4. Where research and development activities are material to the relevant entity's business, provide a description of the ~~material~~ research and development policies of the relevant entity for the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, including the amount spent on research and development activities and the percentage of the net sales or revenue of the relevant entity in each of those years and the interim period spent on such activities.

5. Provide information on any significant new product or service introduced by the relevant entity between the beginning of the period comprising the 3 most recent completed financial years and the latest practicable date and, to the extent the development of the new product or service has been publicly disclosed, the status of such development.

Financial Review

6. For the purposes of Parts V and VIII of this Schedule, the financial statements or other financial information to be provided in respect of the relevant entity or the group must be for the 3 most recent completed financial years instead of the 2 most recent completed financial years.

7. In the case where the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, the reference to the 3 most recent completed financial years in paragraphs 4, 5 and 6 of this Part shall be a reference to the 3 most recent completed financial years preceding the most recent completed financial year.

Trend Information and Profit Forecast or Profit Estimate

8. Discuss, ~~for at least the current financial year, —~~

(a) the business and financial prospects of the relevant entity for the next 12 months from the latest practicable date;

(b) any significant recent trends in production, sales and inventory, and in the costs and selling prices of products and services since the end of the most recent completed financial year or, if any interim financial statements have been included, the period covered by the interim financial statements. If there is no such trend, provide an appropriate statement to that effect.

9. Discuss the state of the order book since the end of the most recent period for which annual or interim financial statements have been provided under Part VIII of this Schedule. Where such information is not relevant to the business of the relevant entity, provide an appropriate statement to that effect and the reason for this.

Dividends or Distributions

10. Disclose the amount of dividends ~~per share~~ (where the relevant entity is a corporation) or distributions ~~per unit of equity interest~~ (where the relevant entity is not a corporation), if any, paid or declared by the relevant entity in respect of each class of equity capital for each of the 3 most recent completed financial years and for the period from the end of the most recent completed financial year to the latest practicable date. ~~giving~~ Provide particulars of each such class of equity capital and of any case in which no dividends or distributions have been paid in respect of any class of equity capital for any of those years or the abovementioned period. Where dividends or distributions have been declared but not paid, state when they will be paid.

11. Describe the relevant entity's dividend or distribution policy or, if it does not have a fixed policy, state so.

Covenants

12. State the particulars of any significant covenant of the relevant entity concerning capital increases.

Compensation for services

13. Disclose, in bands of up to \$250,000 —

- (a) the amount of compensation paid by the relevant entity or its subsidiary or subsidiary entity for each of the 2 most recent completed financial years; and
- (b) the estimated amount of compensation paid and to be paid by the relevant entity or its subsidiary or subsidiary entity for the whole of the current financial year,

to —

(i) each director or equivalent person of the relevant entity;

~~(i)~~ (ii) the chief executive officer of the relevant corporation; and

~~(ii)~~(iii) each of the top 5 (in terms of amount of compensation) key executives (not being the chief executive officer or directors or equivalent persons) of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group,

for services rendered by such a person in all capacities to the relevant entity or its related corporation or related entity.

14. For the purposes of paragraph 13 of this Part —

(a) compensation includes any benefit in kind; and

(b) compensation that has already been paid includes any deferred compensation accrued for the financial year in question and payable at a later date.

15. For the purposes of paragraph 13(b) of this Part, any estimated amount of compensation that is to be paid pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement, but which has not yet been paid, may be excluded from the calculation of the estimated amount of compensation in respect of the whole of the current financial year, provided that that fact is stated.

16. If any portion of the compensation was paid or is to be paid pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement, identify the person to whom such compensation was or is to be paid and briefly describe such plan, agreement or arrangement and the basis of such person's participation in the plan, agreement or arrangement. For persons who are not directors or controlling shareholders, disclosure of their bonus or profit-sharing plan or any other profit-linked agreement or arrangement need not be provided on an individual basis if —

(a) the total amount paid or which is to be paid pursuant to any such plan, agreement or arrangement to such persons, on an individual basis, had not accounted or would not account for more than 1% of the profit before tax of the relevant entity, or if the relevant entity is the holding company of a group, the group, in any financial year; and

~~(a)~~(b) the maximum aggregate amount that was paid or is to be paid to such persons under such plans, agreements or arrangements in each financial year is disclosed.

17. If any portion of the compensation was paid or is to be paid in the form of options, identify the persons to whom such compensation was or is to be paid and provide the description and number or amount of securities. securities-based

derivatives contracts or equity interests covered by the options, the exercise price, the option purchase price (if any), the period during which the options are exercisable and the expiration date of the options.

18. State the total amounts set aside or accrued by the relevant entity or its subsidiary or subsidiary entity, to provide pension, retirement or similar benefits, if any.

19. For a service contract referred to in paragraph 4 of Part VI of this Schedule with a fixed term, state the term of each such contract, the unexpired term and the name of the relevant director or equivalent person.

18A. Disclose, in incremental bands of up to \$50,000 each, the amount of compensation paid by the relevant entity or its subsidiary or subsidiary entity for each of the 2 most recent completed financial years to each employee who is an immediate family member of a director or chief executive officer of the relevant entity. If such information cannot be provided, explain why.

Substantial Shareholders or Substantial Interest-holders, Directors and Key Executives

20. Provide the name of each substantial shareholder or substantial interest-holder, each director or equivalent person, and the chief executive officer or equivalent person of the relevant entity, and state —

- (a) in the case where the relevant entity is a corporation, the number and percentage of shares in the relevant entity of each class in which each of them has an interest, ~~whether direct or deemed under section 4 of the Act;~~
or
- (b) in the case where the relevant entity is an entity (not being a corporation), the amount of equity interests in the relevant entity in which each of them has an interest,

as of the latest practicable date and immediately after the offer. Disclose any significant change in the percentage of ownership in the last 3 years prior to the latest practicable date.

20A. For purposes of paragraph 20(a), section 4 (other than subsection (6)) of the Act shall apply for determining whether a person has an interest in the shares of the relevant corporation; and in determining whether a person deemed to have an interest for the purposes of subsection (5) of that section, a person shall be treated as an associate of another person if the first-mentioned person is —

- (a) a subsidiary of the second-mentioned person;

- ~~(a)~~(b) a person who is accustomed or is under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the second-mentioned person in relation to those shares; or
- (c) a corporation which is, or the directors of which are, accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the second-mentioned person in relation to those shares.

21. Indicate the nature of any family relationship —

- (a) between any of the persons named in paragraph 1 of Part VI of this Schedule; or
- (b) between any of the persons named in paragraph 1 of Part VI of this Schedule and any substantial shareholder or substantial interest-holder of the relevant entity.

Conflict of Interests

22. Where a director or an equivalent person, or a controlling shareholder or controlling interest-holder, of the relevant entity, or any of their associates, has an interest in any other entity carrying on the same business or dealing in similar products as the relevant entity or, if the relevant entity is the holding company or holding entity of a group, as the group, disclose —

- (a) the name of that other entity;
- (b) the name of the director or equivalent person, or controlling shareholder or controlling interest-holder, of the relevant entity involved;
- (c) the nature and extent of his interest in that other entity and the extent to which he is involved in the management of that other entity either directly or indirectly; and
- (d) whether any conflict of interests thereby arising has been or is to be resolved or mitigated and if so, how it has been or is proposed to be resolved or mitigated.

Audit, Remuneration and Nomination Committees

23. In respect of the current financial year, provide details relating to the relevant entity's audit committee, remuneration committee and nomination committee, if any, including the names of committee members and a summary of the terms of reference under which each committee operates.

Employees

24. Provide either —

- (a) the average number of employees of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group for each of the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, and the reason for any change in the average number of such employees, if material; or
- (b) the number of employees of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group as at the end of each of the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, and the reason for any change in the number of such employees, if material,

and, if possible, a breakdown of persons employed by activity and geographic location. Disclose information regarding the relationship between management and labour unions. If the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the group employs a significant number of temporary employees, disclose the average number of temporary employees in respect of the most recent completed financial year.

25. Describe any arrangement which involves the employees of the relevant entity and, if the relevant entity is a holding company or holding entity, the directors or equivalent persons or employees of a subsidiary, a subsidiary entity, an associated company or an associated entity of the relevant entity, in the capital of the relevant entity, including any arrangement that involves the issue or grant of options, shares or equity interests or any other securities or securities-based derivatives contracts of the relevant entity.

Capital

26. If there are shares or equity interests in the relevant entity not representing capital, state the number and main characteristics of such shares or equity interests.

27. Where there is, in respect of the relevant entity, an undertaking to increase the capital, state —

- (a) the amount of such capital increase and, where appropriate, the duration of the undertaking;

(b) the categories of persons having preferential subscription rights for such additional portions of capital; and

(c) the terms, arrangements and procedures for the issue of shares or equity interests corresponding to such portions.

27A. Provide information on the number and amount of securities, securities-based derivatives contracts or equity interests in the relevant entity which have been issued, or agreed to be issued, in the 2 years before the latest practicable date, as fully or partly paid-up in cash or otherwise, and where any of these securities, securities-based derivatives contracts or equity interests are issued as partly paid-up in cash, the extent to which they are so paid up. State also the consideration for such securities, securities-based derivatives contracts or equity interests which have been issued or agreed to be issued (whether in cash or otherwise).

27B. Indicate the number and amount of securities, securities-based derivatives contracts or equity interests in the relevant entity held by or on behalf of the relevant entity itself or by its subsidiary or subsidiary entity.

27C. Provide the description, number and amount of any securities, securities-based derivatives contracts or equity interests in the relevant entity which any person has, or has the right to be given, an option to subscribe for or purchase, together with the following particulars of the option:

(a) the period during which the option is exercisable;

(b) the exercise price;

(c) the consideration, if any, given or to be given for the option or for the right to the option; and

(d) the identity of the person to whom the option or the right to it was given.

27D. If the option or right referred to in paragraph 27C of this Part was given to all existing holders of —

(a) the shares or equity interests in; or

(b) the debentures of,

the relevant entity on a pro-rata basis or to employees under an employees' share option or investment scheme, it will be sufficient to state that fact without identifying each holder or employee.

Constituent Documents of Relevant Entity

28. Provide a summary of the material provisions of the relevant entity's constituent documents and bylaws with respect to —

- (a) the rights, preferences and restrictions attaching to each class of shares or equity interests;
- (b) any change in capital;
- (c) any change in the respective rights of the various classes of shares or equity interests, including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law; and
- (d) any time limit after which a dividend or distribution entitlement will lapse and an indication of the party in whose favour this entitlement then operates.

29. Provide a summary of the provisions of the relevant entity's constituent documents and bylaws with respect to —

- (a) the power of a director or an equivalent person to vote on a proposal, an arrangement or a contract in which he is interested;
- (b) the power of a director or an equivalent person to vote on remuneration (including pension or other benefits) for himself or for any other director or equivalent person, and whether the quorum at a meeting of the board of directors or equivalent persons to vote on the remuneration of the directors or equivalent persons may include the director or equivalent person whose remuneration is the subject of the vote; and
- (c) the retirement or non-retirement of a director or an equivalent person under an age limit requirement.

Information on Entity of Underlying Securities, Securities-based Derivatives Contracts or Property

30. Where the convertible debentures are issued by an entity other than the entity the securities, securities-based derivatives contracts, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase, the requirements in paragraphs 4 to 29 of this Part shall apply only to the second-mentioned entity. In addition, provide the information required under Parts II, V, VI, VII, VIII and X of this Schedule in respect of the second-mentioned entity. Where applicable, provide the date and source of such information.

EIGHTH SCHEDULE

Regulation 8(2)(b)

PARTICULARS TO BE INCLUDED UNDER SECTION 243(1) OF THE ACT IN A PROSPECTUS FOR AN OFFER OF ASSET-BACKED SECURITIES

(67) Explanatory Note: The proposed amendments to the Eighth Schedule are mainly to replicate the amendments to the Seventh Schedule where appropriate.

PART I

FRONT COVER

1. On the front cover of the prospectus, provide —

(a) the date of registration of the prospectus or, in the case of a supplementary prospectus or replacement prospectus, the date of lodgment of the supplementary prospectus or replacement prospectus;

(b) the following statements:

(i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.”; ~~and~~

(ii) “A copy of this prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the prospectus. Registration of the prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the asset-backed securities being offered for investment.”; and

(iii) “As with all investment products, you should consider whether this is a suitable investment for yourself given your investment objectives and risk appetite. You are responsible for your own investment choices.”;

(c) the name of the issuer (referred to in this Schedule as the relevant entity) in respect of which the debentures or units of debentures which are asset-backed securities (referred to in this Schedule as the asset-backed securities) are being offered, the legislation under which the asset-backed

securities have been created and the governing law and competent courts in the event of litigation;

- (d) the name of the sponsor, the depositor and the servicer, where applicable;
- (e) a statement to the effect that the asset-backed securities represent the obligations of the relevant entity only and do not represent the obligations of, or interests in, the sponsor, depositor or any of their associates;
- (f) a statement as to whether an application has been or will be made to an securitiesapproved exchange to list for quotation or quote the asset-backed securities on that securitiesapproved exchange and, if so, the name of such securitiesapproved exchange;
- (g) the maturity date of the asset-backed securities being offered; and
- (h) a statement that no asset-backed securities shall be allotted or allocated on the basis of the prospectus later than 6 months after the date of registration of the prospectus.

PART II

IDENTITY OF KEY PARTICIPANTS, DIRECTORS, SIGNIFICANT ENHANCEMENT PROVIDERS, ADVISERS AND AGENTS

Key Participants

1. Provide the names and addresses of the sponsor, the depositor and the servicer, if any.

Directors

2. Provide the names and occupations of each of the directors or equivalent persons of the sponsor and of the relevant entity.

Secretary of the Entity

3. Provide the name and professional qualifications of the secretary of the relevant entity, if any.

Advisers

4. Provide the names and addresses of —

~~(a) the relevant entity's principal banker or bankers;~~

- ~~(b)~~(a) _____ the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) to the offer, if any;
- ~~(e)~~(b) _____ the underwriter to the offer, if any; and
- ~~(d)~~(c) _____ the legal adviser for or in relation to the offer.

Significant Enhancement Providers

5. Where an entity or a group of entities providing any enhancement for the asset-backed securities being offered is liable or contingently liable to provide payments representing 10% or more of the cash flow supporting any class of asset-backed securities being offered, provide the names and addresses of the entity or entities.

Auditors

6. Provide the names, addresses and professional qualifications (including any membership in a professional body) of the relevant entity's auditors.

Registrars and Agents

7. Provide the names and addresses of the relevant entity's paying agents, registrars, transfer agents and receiving bankers for the asset-backed securities being offered, where applicable.

8. Provide the names and addresses of the relevant entity's trustee, fiscal agent or representative for the asset-backed securities being offered, where applicable.

PART III

PROSPECTUS SUMMARY AND RISK FACTORS

Prospectus Summary

1. Provide the following information in the prospectus summary, if applicable:
 - (a) state the classes of asset-backed securities being offered and the basic terms of each class being offered, including —
 - (i) the offer price;
 - (ii) the interest rate and the distribution frequency;
 - (iii) the maturity date; and
 - (iv) the settlement or final distribution amount;

- (b) summarise, using diagrammatic representations where possible, how the cash flows generated by the asset pool will be allocated among the different classes of asset-backed securities after deducting fees and expenses (referred to in this Schedule as the flow of funds), to the extent necessary to understand the payment characteristics of each class of asset-backed securities being offered;
- (c) identify any events or performance triggers that would alter the basic terms of each class of asset-backed securities or the asset pool composition (referred to in this Schedule as the asset-backed securities structure) or the flow of funds;
- (d) identify any optional or mandatory redemption or termination features;
- (e) identify any enhancement for the asset-backed securities being offered and briefly describe what protection or support is provided by the enhancement;
- (f) summarise how losses not covered by any enhancement will be allocated to the asset-backed securities being offered;
- (g) describe the roles of the sponsor and, where applicable, the depositor in relation to the securitisation transaction and the servicer in relation to the servicing of the asset pool;
- (h) identify the relevant assets and the size and material characteristics of the asset pool;
- (i) if the relevant assets can be added, removed or substituted, summarise the circumstances under which such actions can occur;
- (j) summarise the amount of, or the formula for calculating, the fee that the servicer will receive for performing its duties; and
- (k) if the issuance or sale of any class of asset-backed securities being offered is conditioned on the assignment of a rating by one or more rating agencies, state the rating agency and the minimum rating that must be assigned.

Risk Factors

2. Disclose, in a specific section with the heading “Risk Factors”, the risk factors that are specific to the relevant entity and the asset-backed securities being offered, which had materially affected, or could materially affect, directly or indirectly, the value of the relevant assets or the investments held by holders of the asset-backed securities.

PART IV
OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state —
 - (a) the amount of subscriptions that are being sought and, where applicable, the fact that the subscriptions may be reduced;
 - (b) the nature, denomination and, where applicable, number of asset-backed securities being offered;
 - (c) ~~where the asset-backed securities are being offered at a discount or premium,~~ the face value of the asset-backed securities being offered ~~and the discount or premium;~~ and
 - (d) the currency of the issue and, if the issue is payable in any currency other than the currency of issue, this fact.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to —
 - (a) the offer procedure; and
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of the registration of the prospectus by the Authority, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.
4. State the method and time limit for paying up for the asset-backed securities being offered.
5. State, where applicable, the methods of and time limits for —
 - (a) the delivery of the documents evidencing title to the asset-backed securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and

- (b) the book-entry transfers of the asset-backed securities being offered in favour of subscribers or purchasers.

6. In the case of any pre-emptive rights to subscribe for or purchase the asset-backed securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

7. Provide a full description of the manner in which results of the allotment or allocation of the asset-backed securities being offered are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

Expenses

8. State the amount or estimated amounts of the expenses incurred in connection with the offer and the persons to whom these amounts have been paid or are payable.

8A. Disclose —

- (a) the amount of discount or commission per asset-backed security, as the case may be, agreed upon between —
 - (i) the underwriter or other placement or selling agent in relation to the offer; and
 - (ii) the relevant entity or holder of asset-backed securities of the relevant entity selling such asset-backed securities;
- (b) the major expenses incurred in connection with the offer and the issue and distribution of the asset-backed securities (in absolute terms and as a percentage of the total amount of the offer) that are payable by, or on behalf of, the relevant entity, in a reasonably itemised statement; and
- (c) if any expenses are to be paid by a person on behalf of the relevant entity, the identity of the person.

PART V

KEY INFORMATION

Relevant Entity

1. Provide the following information on the relevant entity:

- (a) the date of incorporation or constitution of the relevant entity and, where the constituent documents of the relevant entity provide a limit as to the duration for which the relevant entity is to exist, such duration;
- (b) the country of incorporation or constitution, the legal form of the relevant entity, the legislation under which it operates and the address and telephone and facsimile numbers of its registered or principal office;
- (c) a summary of the permissible activities and any restrictions on such activities under the constituent documents of the relevant entity, including any restrictions on the ability to issue or invest in additional securities or securities-based derivatives contracts, to borrow money or to make loans to other persons, and any provisions for the modification of the constituent documents of the relevant entity;
- (d) any specific discretionary activities with regard to the administration of the asset pool or the asset-backed securities, and the person or persons who will be authorised to exercise such discretion;
- (e) any assets owned or to be owned by the relevant entity, apart from the asset pool, and any liabilities of the relevant entity, apart from the asset-backed securities;
- (f) the terms of any management or administration agreement relating to the asset-backed securities; and
- (g) the capitalisation of the relevant entity and the amount and nature of each equity contribution.

Trustee, Fiscal Agent or Representative

2. Provide the main terms of the document governing the trusteeship or representation of the trustee, fiscal agent or representative for the holders of asset-backed securities, including provisions concerning the functions, rights and obligations of the trustee, fiscal agent or representative. Disclose any conditions precedent or other requirements that are to be satisfied before the trustee, fiscal agent or representative will —

(a) act on behalf of the holders of the asset-backed securities; or

(b) take any action at the request of the holders of the asset-backed securities.

2A. If, in the reasonable opinion of the directors or equivalent persons, the trustee, fiscal agent or representative has a material relationship with the relevant entity which could cause a conflict to arise between its interest as a trustee, fiscal agent or representative for the holders of asset-backed securities and its other interests,

describe the nature and terms of such relationship and explain why the directors or equivalent persons of the relevant entity still consider its appointment to be appropriate.

Principal Terms and Conditions

3. Provide information on the asset-backed securities being offered, including —

- (a) the interest rate for each class of asset-backed securities being offered, how such amounts are payable and, if the interest rate is variable, how the rate is determined and how frequently it will be determined;
- (b) the date from which interest accrues and the interest payment dates, where applicable;
- (c) how the principal will be paid on the asset-backed securities being offered, including maturity dates, amortisation or principal distribution schedules, principal distribution dates, formulae for calculating principal distributions from the cash flows and other factors that will affect the timing or amount of principal payments for each class of asset-backed securities being offered;

(ca) if the principal sum of, or the interest on the asset-backed securities is payable in any currency other than the currency of the issue, state this fact. Where payments may be payable in 2 or more currencies, indicate

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(i) the person or persons who have the power to determine the currency or currencies in which payment is to be made and the applicable currency exchange rates, and

(ii) the basis on which both determinations in (i) will be made.

- (d) the final repayment date, any early repayment dates, and whether early repayment is exercisable at the option of the relevant entity or the holder of the asset-backed securities;
- (e) if any class of the asset-backed securities being offered includes an optional or mandatory redemption or termination feature —
 - (i) the terms for triggering the redemption or termination process;
 - (ii) the source of funds, and the redemption price or formula for determining such amount; and

- (iii) the procedures for redemption or termination, including any notices to the holders of asset-backed securities;
- (f) the procedures for, and validity period of, claims to payment of interest and repayment of the principal sum;
- (g) a description of how cash is held and invested or used pending distribution to holders of the asset-backed securities;
- (h) a description of any subordination or seniority of the issue to other debts of the relevant entity already incurred or to be incurred. If the rights of the holders of the asset-backed securities will be subordinated to other security holders or creditors, state the aggregate amount of outstanding indebtedness that ranks in priority to the asset-backed securities being offered as of the latest practicable date. If there is no limitation on the creation of additional indebtedness that ranks in priority to the asset-backed securities being offered, state such fact;
- (i) a summary of the flow of funds, including the payment allocations, the rights in respect of interest and redemption, and the distribution priorities of the different classes of the asset-backed securities being offered;
- (j) any specified changes to the asset-backed securities structure or flow of funds that will be triggered upon a default or event of default; and
- (k) any liquidation, amortisation, performance or similar triggers or events which will affect the asset-backed securities structure or flow of funds.

Fees and Expenses

4. Provide an itemised list of all fees and expenses (other than expenses incurred in connection with the offer) to be paid or payable out of the cash flows from the relevant assets. In itemising the fees and expenses, also indicate their general purpose, the party receiving such fees or expenses, the source of funds for such fees or expenses (if different from other fees or expenses or if such fees or expenses are to be paid from a specified portion of the cash flows) and the distribution priority of such expenses.

Excess Cash Flows

5. Disclose whether there is any intention or requirement to accumulate surpluses in the relevant entity and, if so, for the benefit of whom.

Multiple Tranches

6. If one or more additional tranches of asset-backed securities that are backed by the same asset pool have been or may be issued by the relevant entity, include a prominent statement to that effect and provide information regarding each additional tranche of asset-backed securities to the extent material to understanding its effect on the asset-backed securities being offered, including —

- (a) the relative priority of that additional tranche of asset-backed securities to the asset-backed securities being offered in relation to the rights to the relevant assets and their cash flows;
- (b) the allocation of cash flows from the asset pool and any expenses or losses among the various tranches of asset-backed securities;
- (c) the terms under which that additional tranche of asset-backed securities may be issued and the relevant assets increased or changed; and
- (d) a statement as to whether the prior approval of existing holders of the asset-backed securities will be sought.

Enhancement

7. Describe the material terms of any enhancement, including the manner in which the enhancement is designed to ensure the timely payment of moneys in respect of the asset-backed securities being offered and any limits on the timing or amount of the enhancement or any conditions that must be met before the enhancement can be accessed.

8. If an entity or a group of entities providing any enhancement for the asset-backed securities being offered is liable or contingently liable to provide payments representing 10% or more of the cash flows supporting any class of asset-backed securities being offered, provide information on the organisational form and business of each provider of the enhancement.

9. Disclose, to the extent that the relevant entity is aware or is able to ascertain from information published by each provider of the enhancement, material financial information in respect of the provider, unless the shares or equity interests of the provider are already listed for quotation on an securities approved exchange or overseas ~~securities~~ exchange, in which case, the name of the exchange on which the shares or equity interests are already listed for quotation shall be disclosed in respect of the provider.

Derivatives contracts

9A. Disclose information in respect of any derivatives contract that has a primary purpose of altering the characteristics of cash flows from the asset pool, but does not provide credit enhancement related to the asset pool or the asset-backed securities, including the following information:

- (a) the name of the counterparty to the derivatives contract;
- (b) the nature of the operations and principal activities of the counterparty to the derivatives contract; and
- (c) the material terms and conditions of the derivatives contract, including any limit or restriction on the timing or amount of payments and any condition of payments.

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Credit Rating

10. If the relevant entity or the asset-backed securities being offered has been given a credit rating by a credit rating agency, disclose —

- (a) the name of the credit rating agency;⁵
- (b) the credit rating (including whether it is a short-term or long-term credit rating);⁵
- (c) whether any fee or benefit of any kind has been paid by or not the relevant entity or any of its related parties ~~had paid any fee or benefit of any kind~~ to the credit rating agency in consideration for the credit rating assessment;⁵ and
- (d) the date on which the credit rating was given.

10A. If a credit rating is disclosed under paragraph 10, provide the following information —

- (a) a statement on whether the credit rating is current as of the date of registration of the prospectus;
- (b) a statement to the effect that if there is any change in the credit rating from the date of registration of the prospectus to the close of the offer, the relevant entity shall lodge a supplementary or replacement prospectus to update the credit rating;

- (c) a statement that the credit rating is not a recommendation to invest in the asset-backed securities, as the case may be, and investors should perform their own evaluation as to whether the investment is appropriate;
- (d) a statement that the credit rating may be subject to revision or withdrawal at any time;
- (e) a statement that the credit rating is only a statement of opinion;
- (f) a statement stating the specific source or sources where the following information can be obtained —
 - (i) the rating methodology used by the credit rating agency;
 - (ii) the relative ranking of the credit rating;
 - (iii) an explanation of the meaning and limitations of the credit rating; and
 - (iv) if the credit rating is a “preliminary”, “provisional” or “expected” rating, the status of that designation and its implications on the relevant entity or the asset-backed securities being offered;
- (g) if the credit rating is a “preliminary”, “provisional” or “expected” rating, a statement undertaking to announce the final rating when it is available; and
- (h) if the credit rating is below that of BBB by Fitch Ratings, Baa by Moody’s Investors Service or BBB by Standard and Poor’s Ratings Services, provide the following statement:

“This rating is a non-investment grade credit rating.”

10B. If neither the relevant entity nor the asset-backed securities being offered have been given a credit rating by a credit rating agency, state this fact and provide a statement to the effect that not having a credit rating means that an independent assessment by a credit rating agency of the default risk of the relevant entity and the asset-backed securities being offered has not been made.

Other Investment Considerations

11. Provide an explanation of any other matter which, in the reasonable opinion of the directors or equivalent persons of the sponsor and of the relevant entity, is likely to be of significance to investors relating to the offer. Any such explanation should be given appropriate prominence depending on the nature of the matter concerned and its significance to investors.

Reports

12. Describe the method and frequency by which holders of the asset-backed securities will receive periodic reports on their investment, including information on the occurrence of any event, default or other matter which has or may have an adverse effect on the amount or timing of the principal sum or interest that is or will be payable to holders of the asset-backed securities.

13. Where the relevant entity does not intend to publish annual reports and financial statements, provide a statement of that fact.

PART VI RELEVANT ASSETS

Characteristics of Relevant Assets

1. Provide the following information on the relevant assets:
 - (a) the type or types of relevant assets to be securitised;
 - (b) the material terms and conditions that apply in respect of each type of relevant assets;
 - (c) the solicitation, credit-granting or underwriting criteria used to originate or purchase the relevant assets and the extent to which such criteria could be overridden;
 - (d) the method and criteria by which the relevant assets are selected;
 - (da) the nature, findings and conclusions of any form of due diligence in respect of the relevant assets (including any review, verification or assessment) that has been undertaken by the relevant entity, sponsor, originator, underwriter or any other party appointed for that purpose;
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 - (e) the process for handling delinquencies, losses, bankruptcies and recoveries, if applicable; and
 - (f) where legal or regulatory provisions may materially affect the performance of the relevant assets or payments or expected payments on the asset-backed securities, these provisions and their effect.
2. Describe the material characteristics of the relevant assets, including —
 - (a) the number of each type of relevant assets;

- (b) the total value of the relevant assets and the method of determining such value including any assumption used;
- (c) the yield, a summary of the method by which that yield is calculated, the nominal rate of return and —
 - (i) if the nominal rate is a floating rate, how the rate is calculated; or
 - (ii) if several or variable rates are provided for, the conditions for changes in the rate;
- (d) the date from which interest or any other payment accrues and the payment dates;
- (e) the expiry or maturity dates of the relevant assets, if applicable;
- (f) whether the relevant assets are secured or unsecured and, if secured, the type of collateral and the ratio of the value or amount of the relevant assets to the value or amount of such security at the time of the transfer or assignment of the relevant assets from the sponsor to the relevant entity;
- (g) the credit quality of the obligors;
- (h) the billing and payment procedures, including frequency of payment, payment options, fees, charges and origination or payment incentives; and
- (i) the geographic distribution or other concentrations which are material to the asset type, if applicable.

3. Provide a description of the cash flow profile of, the ageing of cash flows of, and, if available, historic levels of arrears of or rates of default in, the payments generated by the relevant assets or other assets of a similar quality, if applicable.

4. Summarise any significant representations and warranties made concerning the relevant assets by the sponsor, depositor or any other party and describe briefly the remedies available if those representations and warranties are breached.

5. Describe any material direct or contingent claim that parties other than the holders of the asset-backed securities have on the relevant assets. Also describe any material cross-collateralisation or cross-default provisions relating to the relevant assets.

6. Provide information regarding circumstances where relevant assets may be added, substituted or removed from the asset pool, including — (a) when and how relevant assets can be removed or substituted;

(b) any differences in the acquisition or underwriting criteria for additional relevant assets and the criteria used to select the current asset pool;

(c) the party with the authority to add, remove or substitute assets from the asset pool or determine if such assets meet the acquisition or underwriting criteria for additional relevant assets;

(d) any requirements to add or remove minimum amounts of relevant assets and any effects of not meeting those requirements; and

(e) how investors will be notified of changes to the asset pool.

Sale or Transfer of Relevant Assets

7. Describe the sale or transfer of the relevant assets to the relevant entity as well as the creation of any security interest in favour of the relevant entity, the holders of the asset-backed securities or others, including the material terms of any agreement providing for such sale, transfer or creation of a security interest.

8. State the amount paid or to be paid for the relevant assets, and the principles followed or to be followed in determining such amount, and identify the persons making the determination and their relationship, if any, with the relevant entity, the sponsor, the depositor and any underwriter to the offer.

9. If expenses incurred in connection with the selection and acquisition of the relevant assets are to be paid out of the proceeds from the offer, disclose the amount of such expenses. If such expenses are to be paid to the sponsor, servicer, depositor, relevant entity, underwriter or any associate of the foregoing, separately identify the type and amount of expenses paid to each such party.

Significant Obligors of Relevant Assets

10. Where any obligor accounts for 10% or more of the total value of the relevant assets, provide —

(a) the name, address, country of incorporation or constitution and nature of business of the obligor;

(b) to the extent that the relevant entity is aware or is able to ascertain from information published by the obligor, material financial information in respect of each obligor, unless —

- (i) the shares or equity interests of the obligor are already listed for quotation on an securitiesapproved exchange or overseas ~~securities~~ exchange; or
- (ii) the obligations of the obligor are guaranteed by an entity the shares or equity interests of which are already listed for quotation on an securitiesapproved exchange or overseas ~~securities~~ exchange,

in which case, the name of the securitiesapproved exchange or overseas ~~securities~~ exchange on which the shares or equity interests of the obligor or its guarantor entity, as the case may be, are already listed for quotation shall be disclosed;

- (c) information on the relationship, if any, between —
 - (i) the obligor and the relevant entity;
 - (ii) the obligor and the sponsor;
 - (iii) the guarantor entity referred to in sub-paragraph (b) and the relevant entity; and
 - (iv) the guarantor entity referred to in sub-paragraph (b) and the sponsor;
- (d) information on the nature and extent of the exposure of the relevant assets to the obligor; and
- (e) the material terms of the relevant assets or the agreements with the obligor involving the relevant assets.

PART VII

PARTICIPANTS

Sponsor

1. Provide the following information in respect of the sponsor:
 - (a) the nature of its operations and principal activities;
 - (b) a summary of its securitisation programme and how long it has been engaged in similar securitisation transactions; and
 - (c) its role and responsibilities in the securitisation programme, including whether the sponsor or its associate is responsible for originating, acquiring, pooling or servicing the asset pool, and the sponsor's

participation in setting up the asset-backed securities structure and in the management of the asset pool.

Depositor

2. If the depositor is not the same entity as the sponsor, provide the following information in respect of the depositor:

- (a) its ownership structure;
- (b) the nature of its operations and principal activities other than that of securitising assets; and
- (c) any continuing duties that it may have, following the issuance of the asset-backed securities, regarding the asset-backed securities or the asset pool.

Servicer

3. Provide the following information in respect of the servicer:

- (a) the nature of its operations and principal activities, and its experience in and procedures for servicing assets of the type included in the asset pool;
- (b) the material terms of the servicing agreement and its duties in relation to servicing of the asset pool;
- (c) the manner in which amounts due in relation to the relevant assets will be collected and maintained;
- (d) its ability to waive or modify any terms, fees, penalties or payments in relation to the asset pool and the effect of any such ability, if material, on the potential cash flows to the relevant entity;
- (e) if it has custodial responsibility for any or all of the asset pool, the arrangements regarding the safekeeping and preservation of the assets or, if it does not have custodial responsibility for the asset pool, that fact and the identity of the party that has such responsibility;
- (f) any limitations on its liability under the servicing agreement;
- (g) its financial condition, if this can have a material impact on one or more aspects of servicing of the asset pool which in turn can materially affect the performance of the asset-backed securities being offered; and
- (h) a summary of the terms regarding the removal, replacement or resignation of the servicer.

PART VIII
INTERESTS OF KEY PARTICIPANTS, EXPERTS, UNDERWRITERS AND
FINANCIAL ADVISERS

Interests of Experts

1. If an expert named in the prospectus —
 - (a) is employed on a contingent basis by the sponsor, depositor or relevant entity;
 - (b) has a material interest, whether direct or indirect, in the asset-backed securities of the relevant entity; or
 - (c) has a material economic interest, whether direct or indirect, in the relevant entity, including an interest in the success of the offer,describe the nature and terms of such contingency or interest.

Interests of Underwriters or Financial Advisers

2. If, in the reasonable opinion of the directors or equivalent persons of the relevant entity, any underwriter, ~~or other~~ financial adviser, or consultant engaged by the relevant entity in relation to the offer has a material relationship with the sponsor, depositor or relevant entity, describe the nature and terms of such relationship.

PART IX
THE OFFER AND LISTING

Offer Details

1. Where the asset-backed securities, as the case may be, are offered at a discount or premium, state the discount or premium and the method for determining such discount or premium. Indicate the amount of any expense specifically charged to the subscriber or purchaser.
1A. Indicate the amount of any expense specifically charged to the subscriber or purchaser of the asset-backed securities being offered.
2. Indicate whether the asset-backed securities being offered are in registered or bearer form.
3. Describe the arrangement for transfer, and any restriction on the free transferability, of the asset-backed securities being offered.

Plan of Distribution

4. Where not all of the asset-backed securities being offered are underwritten or guaranteed, provide a statement of the portion not so underwritten or guaranteed.

5. Where the offer of asset-backed securities, as the case may be, is underwritten, provide a brief summary of the features of the underwriting relationship and state whether the arrangement is —

(a) one under which the underwriters are or will be committed to take and to pay for all of the asset-backed securities; or

(b) an agency or “best efforts” type of arrangement under which the underwriters are required to take and to pay for only such asset-backed securities as they may be able to sell to the public.

~~5A. State whether or not~~ Where the relevant entity reserves the right to accept or retain over-subscriptions ~~and, if the relevant entity reserves such a right, state~~ the limit on the right so reserved expressed as a sum of money. Also, ~~indicate whether if~~ the amount of the asset-backed securities being offered can be increased, such as by the exercise of an underwriter’s over-allotment option, ~~and~~ state the exercise period of and amount under such option.

6. If applicable, identify any group of targeted potential investors to whom the asset-backed securities are being offered. If the offer is being made simultaneously in the markets of 2 or more countries and if a tranche has been or is being reserved for any of these countries, indicate any such tranche.

Markets

7. Identify the ~~securities~~approved exchange or overseas ~~securities~~ exchange on which asset-backed securities of the same class as those being offered are already listed for quotation or quoted or on which permission to list for quotation or quote the asset-backed securities is being or is proposed to be sought.

8. When permission to list for quotation or quote on any ~~securities~~approved exchange or overseas ~~securities~~ exchange is being or is proposed to be sought in respect of the asset-backed securities in paragraph 7 of this Part or the asset-backed securities which are the subject of the current offer, state that fact without creating the impression that the application for permission will necessarily be approved. If known, provide the dates on which such asset-backed securities will be listed for quotation or quoted and on which trading will commence.

Dealing and Settlement

9. Provide information on any dealing and settlement arrangement.

PART X
ADDITIONAL INFORMATION

Constituent Documents of Relevant Entity

1. Provide a summary of the provisions of the relevant entity's constituent documents and bylaws, including any provisions for the modification of the terms and conditions of the asset-backed securities.

Taxation

2. Provide information regarding taxes (including withholding provisions) to which holders of the asset-backed securities may be subject. If the relevant entity is incorporated or constituted outside Singapore, the information shall include whether the relevant entity assumes responsibility for the withholding of tax at source and applicable provisions of any reciprocal tax treaties between the home country of the relevant entity and Singapore, or a statement, if applicable, that there are no such treaties.

Statements by Experts

3. Where a statement or report attributed to a person as an expert is included in the prospectus, provide such person's name, address and qualifications.

4. Where the prospectus contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert — (a) state the date on which the statement was made;

(b) state whether or not it was prepared by the expert for the purpose of incorporation in the prospectus; and

(c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the prospectus with the inclusion of the statement in the form and context in which it is included in the prospectus.

5. The information referred to in paragraphs 3 and 4 of this Part need not be provided in the prospectus if the statement attributed to the expert is a statement to which the exemption under regulation 26(1) applies.

Consent from Issue Managers and Underwriters

6. Where a person is named in the prospectus as the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) or underwriter (but not a sub-underwriter) to the offer, include a statement that the

person has given, and has not withdrawn, his written consent to being named in the prospectus as the issue manager or underwriter, as the case may be, to the offer.

Statement by the Directors of the Sponsor

7. Include a statement by the directors or equivalent persons of the sponsor that they individually and collectively accept full responsibility for the accuracy of the information given in the prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in the prospectus are fair and accurate in all material respects as at the date of the prospectus and that there are no material facts the omission of which would make any statement in the prospectus misleading.

Documents for Inspection

8. Provide a statement that for a period of at least 6 months from the date of registration by the Authority of the prospectus, the following documents (or copies thereof), where applicable, may be inspected at a specified place in Singapore:

- (a) the constituent documents of the relevant entity;
- (b) ~~any trust deed, fiscal agency agreement or other document constituting the asset-backed securities;~~
- (c) the servicing agreement referred to in paragraph 3(b) of Part VII of this Schedule;
- (d) every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the prospectus; and
- (e) in the case where the relevant assets were previously held by another entity and were that entity's sole assets, the audited financial statements of that entity for the 2 most recent completed financial years, or for such number of financial years during which it has been in existence, if it has been in existence for less than 2 completed financial years, and has held those assets.

8A. Provide a statement that the trust deed, fiscal agency agreement or other document (or a copy thereof) constituting the asset-backed securities may be inspected by any person at a specified place in Singapore from the date of registration by the Authority of the prospectus and for as long as any asset-backed securities remain outstanding.

Litigation

9. Provide information on any legal or arbitration proceedings against the relevant entity, its trustee or the provider of any enhancement, including those which are pending or known to be contemplated, which may have, or have had in the last 12 months preceding the date of lodgment of the prospectus, a material effect on the financial position or profitability of the relevant entity or the provider.

NINTH SCHEDULE

Regulation 8(2)(c)

PARTICULARS TO BE INCLUDED UNDER SECTION 243(1) OF THE ACT IN A PROSPECTUS FOR AN OFFER OF STRUCTURED NOTES

(68) Explanatory Note: The proposed amendments to the Eighth Schedule are mainly to replicate the amendments to the Seventh Schedule where appropriate.

PART I

FRONT COVER

1. On the front cover of the prospectus, provide —

(a) the date of registration of the prospectus or, in the case of a supplementary prospectus or replacement prospectus, the date of lodgment of the supplementary prospectus or replacement prospectus;

(b) the following statements:

(i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.”; ~~and~~

(ii) “A copy of this prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the prospectus. Registration of the prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the structured notes being offered for investment.”; and

(iii) “As with all investment products, you should consider whether this is a suitable investment for yourself given your investment objectives and risk appetite. You are responsible for your own investment choices.”;

(c) the name of the issuer (referred to in this Schedule as the relevant entity) in respect of which the debentures or units of debentures which are

structured notes (referred to in this Schedule as the structured notes) are being offered and its country of incorporation or constitution;

- (d) a statement as to whether an application has been or will be made to a securitiesapproved exchange to list for quotation or quote the structured notes on that securitiesapproved exchange and, if so, the name of such securitiesapproved exchange;
- (e) the maturity date of the structured notes being offered;
- (f) if early withdrawal is permitted, a statement in bold to the effect that structured notes which are redeemed before their maturity date will be subject to unwinding or other transaction costs, and that the amount received by investors may be lower than the initial amount invested; and
- (g) a statement that no structured notes shall be allotted or allocated on the basis of the prospectus later than 6 months after the date of registration of the prospectus.

PART II

IDENTITY OF DIRECTORS, SIGNIFICANT ENHANCEMENT PROVIDERS, ADVISERS AND AGENTS

Directors

1. Provide the names and occupations of each of the directors or equivalent persons of the relevant entity.

Advisers

2. Provide the name and address of the legal adviser for or in relation to the offer.

Significant Enhancement Providers

3. Where an entity or a group of entities providing any enhancement for the structured notes being offered is liable or contingently liable to provide payments representing 10% or more of the cash flow supporting any class of structured notes being offered, provide the names and addresses of the entity or entities.

Registrars and Agents

4. Provide the names and addresses of the relevant entity's paying agents, registrars and transfer agents for the structured notes being offered, where applicable.

5. Provide the names and addresses of the relevant entity's trustee, fiscal agent or representative for the structured notes being offered, where applicable.

PART III

PROSPECTUS SUMMARY AND RISK FACTORS

Prospectus Summary

1. Provide the following information in the prospectus summary, if applicable:
 - (a) state the classes of structured notes being offered and the basic terms of each class being offered, including —
 - (i) the offer price;
 - (ii) the interest rate and the distribution frequency;
 - (iii) the maturity date; and
 - (iv) the settlement or final distribution amount;
 - (b) identify any events or performance triggers that would alter the basic terms of each class of structured notes or the composition of the pool of reference assets (referred to in this Schedule as the structured notes structure);
 - (c) identify any optional or mandatory redemption or termination features;
 - (d) identify any enhancement for the structured notes being offered and briefly describe what protection or support is provided by the enhancement;
 - (e) summarise how losses not covered by any enhancement will be allocated to the structured notes being offered;
 - (f) identify the reference assets and the size and material characteristics of the pool of reference assets;
 - (g) if the reference assets can be added, removed or substituted, summarise the circumstances under which such actions can occur; and
 - (h) if the issuance or sale of any class of structured notes being offered is conditioned on the assignment of a rating by one or more rating agencies, state the rating agency and the minimum rating that must be assigned.

Risk Factors

2. Disclose, in a specific section with the heading “Risk Factors”, the risk factors that are specific to the relevant entity and the structured notes being offered, which had materially affected, or could materially affect, directly or indirectly, the value of the pool of reference assets or the investments held by holders of the structured notes.

PART IV

OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state —
 - (a) the amount of subscriptions that are being sought and, where applicable, the fact that the subscriptions may be reduced;
 - (b) the nature, denomination and, where applicable, number of structured notes being offered;
 - (c) ~~where the structured notes are being offered at a discount or premium,~~ the face value of the structured notes being offered ~~and the discount or premium;~~ and
 - (d) the currency of the issue and, if the issue is payable in any currency other than the currency of issue, this fact.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to —
 - (a) the offer procedure; and
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of the registration of the prospectus by the Authority, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the

manner in which any extension or early closure of the offer period shall be made public.

4. State the method and time limit for paying up for the structured notes being offered.

5. State, where applicable, the methods of and time limits for —

(a) the delivery of the documents evidencing title to the structured notes being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and

(b) the book-entry transfers of the structured notes being offered in favour of subscribers or purchasers.

6. In the case of any pre-emptive rights to subscribe for or purchase the structured notes being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

7. Provide a full description of the manner in which results of the allotment or allocation of the structured notes being offered are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

PART V

KEY INFORMATION

Relevant Entity

1. Provide the following information on the relevant entity:

(a) the address and telephone and facsimile numbers of the registered or principal office of the relevant entity;

(b) how information on the business, operations and financial results and position of the relevant entity, or, where the relevant entity is part of a group, of the holding company of the group, can be obtained; and

(c) the nature of operations and previous experience of the relevant entity in relation to the issue of structured notes which are similar to those being offered.

Trustee, Fiscal Agent or Representative

2. Provide the main terms of the document governing the trusteeship or representation of the trustee, fiscal agent or representative for the holders of structured notes, including provisions concerning the functions, rights and obligations of the trustee, fiscal agent or representative. Disclose any conditions precedent or other requirements that are to be satisfied before the trustee, fiscal agent or representative will —

(a) enforce a lien against the property of the relevant entity;

(b) act on behalf of the holders of structured notes; or

(c) take any action at the request of the holders of structured notes.

2A. If, in the reasonable opinion of the directors or equivalent persons, the trustee, fiscal agent or representative has a material relationship with the relevant entity which could cause a conflict to arise between its interest as a trustee, fiscal agent or representative for the holders of structured notes and its other interests, describe the nature and terms of such relationship and explain why the directors or equivalent persons of the relevant entity still consider its appointment to be appropriate.

Principal Terms and Conditions

3. Provide information on the structured notes being offered, including —

(a) the interest rate for each class of structured notes being offered, how such amounts are payable and, if the interest rate is variable, how the rate is determined and how frequently it will be determined;

(b) the date from which interest accrues and the interest payment dates, where applicable;

(c) how the principal sum will be paid or the reference assets will be distributed, including maturity dates, amortisation schedules, distribution dates and factors that will affect the timing or amount of payments or distributions for each class of structured notes being offered;

(ca) if the principal sum of, or the interest on the structured notes is payable in any currency other than the currency of the issue, state this fact. Where payments may be payable in 2 or more currencies, indicate —

(i) the person or persons who have the power to determine the currency or currencies in which payment is to be made and the applicable currency exchange rates, and

- (ii) the basis on which both determinations in (i) will be made.
- (d) the final repayment date, any early repayment dates, and whether early repayment is exercisable at the option of the relevant entity or the holder of the structured notes;
 - (e) if any class of the structured notes being offered includes an optional or mandatory redemption or termination feature —
 - (i) the terms for triggering the redemption or termination process;
 - (ii) the redemption price or the amount of reference assets to be distributed, or the formula for determining such price or amount; and
 - (iii) the procedures for redemption or termination, including any notices to the holders of the structured notes;
 - (f) the procedures for, and validity period of, claims to payment of interest and repayment of the principal sum or distribution of the reference assets;
 - (g) a description of any subordination or seniority of the issue to other debt of the relevant entity already incurred or to be incurred. If the rights of the holders of the structured notes will be subordinated to other security holders or creditors, state the aggregate amount of outstanding indebtedness that ranks in priority to the structured notes being offered as of the latest practicable date. If there is no limitation on the creation of additional indebtedness that ranks in priority to the structured notes being offered, state such fact;
 - (h) any specified changes to the structured notes structure that will be triggered upon default or event of default; and
 - (i) any performance triggers or events which will affect the structured notes structure.

Enhancement

4. Describe the material terms of any enhancement, including the manner in which the enhancement is designed to ensure the timely payment of moneys in respect of the structured notes being offered and any limits on the timing or amount of the enhancement or any conditions that must be met before the enhancement can be accessed.

5. If an entity or a group of entities providing any enhancement for the structured notes being offered is liable or contingently liable to provide payments

representing 10% or more of the cash flows supporting any class of structured notes being offered, provide information on the organisational form and business of each provider of the enhancement.

6. Disclose, to the extent that the relevant entity is aware or is able to ascertain from information published by each provider of the enhancement, material financial information in respect of the provider, unless the shares or equity interests of the provider are already listed for quotation on an securities exchange or overseas ~~securities~~ exchange, in which case, the name of the exchange on which the shares or equity interests are already listed for quotation shall be disclosed in respect of the provider.

Credit Rating

7. If the relevant entity or the structured notes being offered has been given a credit rating by a credit rating agency, disclose —

- (a) the name of the credit rating agency;
- (b) the credit rating (including whether it is a short-term or long-term credit rating);
- (c) whether any fee or benefit of any kind has been paid by or not the relevant entity or any of its related parties ~~had paid any fee or benefit of any kind~~ to the credit rating agency in consideration for the credit rating assessment; and
- (a)(d) the date on which the credit rating was given.

7A. If a credit rating is disclosed under paragraph 7, provide the following information —

- (a) a statement on whether the credit rating is current as of the date of registration of the prospectus;
- (b) a statement to the effect that if there is any change in the credit rating from the date of registration of the prospectus to the close of the offer, the relevant entity shall lodge a supplementary or replacement prospectus to update the credit rating;
- (c) a statement that the credit rating is not a recommendation to invest in the structured notes and investors should perform their own evaluation as to whether the investment is appropriate;

- (d) a statement that the credit rating may be subject to revision or withdrawal at any time;
- (e) a statement that the credit rating is only a statement of opinion;
- (f) a statement stating the specific source or sources where the following information can be obtained —
 - (i) the rating methodology used by the credit rating agency;
 - (ii) the relative ranking of the credit rating;
 - (iii) an explanation of the meaning and limitations of the credit rating; and
 - (iv) if the credit rating is a “preliminary”, “provisional” or “expected” rating, the status of that designation and its implications on the relevant entity or the structured notes being offered;
- (g) if the credit rating is a “preliminary”, “provisional” or “expected” rating, a statement undertaking to announce the final rating when it is available; and
- (h) if the credit rating is below that of BBB by Fitch Ratings, Baa by Moody’s Investors Service or BBB by Standard and Poor’s Ratings Services, provide the following statement:

“This rating is a non-investment grade credit rating.”

7B. If neither the relevant entity nor the structured notes being offered have been given a credit rating by a credit rating agency, state this fact and provide a statement to the effect that not having a credit rating means that an independent assessment by a credit rating agency of the default risk of the relevant entity or the structured notes being offered has not been made.

Other Investment Considerations

8. Provide an explanation of any other matter which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, is likely to be of significance to investors relating to the offer. Any such explanation should be given appropriate prominence depending on the nature of the matter concerned and its significance to investors.

Reports

9. Describe the method and frequency by which holders of the structured notes will receive periodic reports on their investment, including information on

the occurrence of any event, default or other matter which has or may have an adverse effect on the amount or timing of the principal sum or interest that is or will be payable to holders of the structured notes.

PART VI

REFERENCE ASSETS

Characteristics of Reference Assets

1. Provide the following information on the reference assets:
 - (a) the type or types of reference assets;
 - (b) the material terms and conditions that apply in respect of each type of reference assets;
 - (c) the method and criteria by which the reference assets are selected, if applicable;
 - (d) the process for handling delinquencies, losses, bankruptcies and recoveries, if applicable; and
 - (e) where legal or regulatory provisions may materially affect the performance of the reference assets or payments or expected payments on the structured notes, these provisions and their effect.
2. Describe the material characteristics of the reference assets for the structured notes being offered, including —
 - (a) the particulars of each reference asset or basket of reference assets;
 - (b) the method of determining the notional value of the reference assets, including any assumption used;
 - (c) the yield, a summary of the method by which that yield is calculated, the nominal rate of return and —
 - (i) if the nominal rate is a floating rate, how the rate is calculated; or
 - (ii) if several or variable rates are provided for, the conditions for changes in the rate;
 - (d) the credit quality of the reference assets, if applicable; and
 - (e) the geographic distribution or other concentrations which are material to each type of reference assets, if applicable.

3. Provide a description of the historic levels of arrears of or rates of default in the payments generated by the reference assets or other assets of a similar quality, if applicable.

4. Summarise any significant representations and warranties made concerning the reference assets by any party and describe briefly the remedies available if those representations and warranties are breached.

5. Describe any material cross-default provisions relating to the reference assets.

6. Provide information regarding circumstances where reference assets may be added, substituted or removed, including —

- (a) when and how the reference assets can be removed or substituted;
- (b) any differences in the criteria for additional reference assets and the criteria used to select the current pool of reference assets;
- (c) any requirements to add or remove the reference assets and any effects of not meeting those requirements; and
- (d) how investors will be notified of changes to the pool of reference assets.

Significant Exposure to Reference Assets

7. Where any of the reference assets relates to the securities ~~or securities-based derivatives contracts~~ or performance of a particular entity which accounts for 10% or more of the value of the pool of reference assets, provide —

- (a) the name, address, country of incorporation or constitution and nature of business of the particular entity;
- (b) to the extent that the relevant entity is aware or is able to ascertain from information published by the particular entity, material financial information in respect of the particular entity, unless —
 - (i) the shares or equity interests of the particular entity are already listed for quotation on an ~~securities~~approved exchange or overseas ~~securities~~ exchange; or
 - (ii) the obligations of the particular entity are guaranteed by another entity the shares or equity interests of which are already listed for quotation on an ~~securities~~approved exchange or overseas ~~securities~~ exchange,

in which case, the name of the ~~securities~~approved exchange or overseas ~~securities~~ exchange on which the shares or equity interests of the particular entity or its guarantor entity, as the case may be, are already listed for quotation shall be disclosed;

- (c) information on the relationship, if any, between — (i) the particular entity and the relevant entity; and
 - (ii) the guarantor entity referred to in sub-paragraph (b) and the relevant entity;
- (d) information on the nature and extent of the exposure of the reference assets to the particular entity; and
- (e) the material terms of the reference assets or the agreements involving the reference assets.

PART VII

INTERESTS OF EXPERTS AND FINANCIAL ADVISERS

Interests of Experts

1. If an expert named in the prospectus —
 - (a) is employed on a contingent basis by the relevant entity;
 - (b) has a material interest, whether direct or indirect, in the structured notes of the relevant entity; or
 - (c) has a material economic interest, whether direct or indirect, in the relevant entity, including an interest in the success of the offer,describe the nature and terms of such contingency or interest.

Interests of Financial Advisers

2. If, in the reasonable opinion of the directors or equivalent persons of the relevant entity, any financial adviser in relation to the offer has a material relationship with the relevant entity, describe the nature and terms of such relationship.

PART VIII

THE OFFER AND LISTING

Offer Details

1. Where the structured notes are offered at a discount or premium, state the discount or premium and the method for determining such discount or premium.

1A. Indicate the amount of any expense specifically charged to the subscriber or purchaser of the structured notes being offered.

2. Indicate whether the structured notes being offered are in registered or bearer form.

3. Describe the arrangement for transfer, and any restriction on the free transferability, of the structured notes being offered.

Plan of Distribution

4. Where not all of the structured notes being offered are guaranteed, provide a statement of the portion not so guaranteed.

5. State whether or not the relevant entity reserves the right to accept or retain over-subscriptions and, if the relevant entity reserves such a right, the limit on the right so reserved expressed as a sum of money. Also, indicate whether the amount of the structured notes being offered can be increased, and state the exercise period of and amount under such option.

6. If applicable, identify any group of targeted potential investors to whom the structured notes are being offered. If the offer is being made simultaneously in the markets of 2 or more countries and if a tranche has been or is being reserved for any of these countries, indicate any such tranche.

Markets

7. Identify the securitiesapproved exchange or overseas ~~securities~~ exchange on which structured notes of the same class as those being offered are already listed for quotation or quoted, or on which permission to list for quotation or quote the structured notes is being or is proposed to be sought, if applicable.

8. When permission to list for quotation or quote on any securitiesapproved exchange or overseas ~~securities~~ exchange is being or is proposed to be sought in respect of the structured notes in paragraph 7 of this Part or the structured notes which are the subject of the current offer, state that fact without creating the impression that the application for permission will necessarily be approved. If known, provide the dates on which such structured notes will be listed for quotation or quoted and on which trading will commence.

Dealing and Settlement

9. Provide information on any dealing and settlement arrangement, where applicable.

PART IX

ADDITIONAL INFORMATION

Taxation

1. Provide information regarding taxes (including withholding provisions) to which holders of the structured notes may be subject. If the relevant entity is incorporated or constituted outside Singapore, the information shall include whether the relevant entity assumes responsibility for the withholding of tax at source and applicable provisions of any reciprocal tax treaties between the home country of the relevant entity and Singapore, or a statement, if applicable, that there are no such treaties.

Statements by Experts

2. Where a statement or report attributed to a person as an expert is included in the prospectus, provide such person's name, address and qualifications.

3. Where the prospectus contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert — (a) state the date on which the statement was made;

(b) state whether or not it was prepared by the expert for the purpose of incorporation in the prospectus; and

(c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the prospectus with the inclusion of the statement in the form and context in which it is included in the prospectus.

4. The information referred to in paragraphs 2 and 3 of this Part need not be provided in the prospectus if the statement attributed to the expert is a statement to which the exemption under regulation 26(1) applies.

Documents for Inspection

5. Provide a statement that for a period of at least 6 months from the date of registration by the Authority of the prospectus, the following documents (or

copies thereof), where applicable, may be inspected at a specified place in Singapore:

- (a) the constituent documents of the relevant entity;
- (b) ~~any trust deed, fiscal agency agreement or other document constituting the structured notes;~~
- (c) every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the prospectus; and
- (d) the audited and interim financial statements of the relevant entity and, where the relevant entity is part of a group, the audited and interim financial statements of the group.

5A. Provide a statement that the trust deed, fiscal agency agreement or other document (or a copy thereof) constituting the structured notes may be inspected by any person at a specified place in Singapore from the date of registration by the Authority of the prospectus and for as long as any structured notes remain outstanding.

Litigation

6. Provide information on any legal or arbitration proceedings against the relevant entity, its trustee or the provider of any enhancement, including those which are pending or known to be contemplated, which may have, or have had in the last 12 months preceding the date of lodgment of the prospectus, a material effect on the financial position or profitability of the relevant entity or the provider.

PART X

ADDITIONAL INFORMATION REQUIRED FOR STRUCTURED NOTES ISSUED PURSUANT TO A SYNTHETIC SECURITISATION TRANSACTION

1. In relation to an offer of structured notes issued pursuant to a synthetic securitisation transaction, the prospectus shall contain the information set out in this Schedule with the following modifications, exceptions and additions:

- (a) the information required under paragraph 1(b) and (c) of Part V of this Schedule need not be provided;
- (b) in respect of Part II of this Schedule, provide also —

- (i) the names and addresses of the sponsor, the servicer, the principal banker or bankers of the relevant entity, the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) to the offer (if any), the underwriter to the offer (if any), and the receiving bankers for the structured notes being offered, where applicable; and
 - (ii) the names and occupations of each of the directors or equivalent persons of the sponsor;
- (c) in respect of paragraphs 1(a) and 2 of Part VII of this Schedule, in addition to providing the information referred to in those paragraphs —
 - (i) if an expert named in the prospectus is employed on a contingent basis by the sponsor, describe the nature and terms of the contingency; or
 - (ii) if, in the reasonable opinion of the directors or equivalent persons of the sponsor or relevant entity, any issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise), underwriter or other financial adviser in relation to the offer has a material relationship with the sponsor or relevant entity, describe the nature and terms of such relationship;
- (d) in respect of paragraph 5 of Part IX of this Schedule, the documents referred to in the statement —
 - (i) shall include the servicing agreement referred to in paragraph 19(b) of this Part; and
 - (ii) need not include the audited and interim financial statements of the relevant entity and, where the relevant entity is part of a group, the audited and interim financial statements of the group; and
- (e) the additional information described in paragraphs 2 to 22 of this Part shall be provided.

Front Cover

2. On the front cover of the prospectus, provide —
 - (a) the name of the sponsor and the servicer; and
 - (b) a statement to the effect that the structured notes represent the obligations of the relevant entity only and do not represent the obligations of, or interests in, the sponsor or any of the sponsor's associates.

Secretary of the Entity

3. Provide the name and professional qualifications of the secretary of the relevant entity, if any.

Auditors

4. Provide the names, addresses and professional qualifications (including any membership in a professional body) of the relevant entity's auditors.

Prospectus Summary

5. Provide the following information in the prospectus summary, as applicable —

- (a) summarise, using diagrammatic representations where possible, how the cash flows generated by the reference assets and the pool assets will be allocated among the different classes of structured notes after deducting fees and expenses (referred to in this Part as the flow of funds), to the extent necessary to understand the payment characteristics of each class of structured notes being offered;
- (b) identify any events or performance triggers that would alter the flow of funds;
- (c) describe the roles of —
 - (i) the sponsor, in relation to the synthetic securitisation transaction; and
 - (ii) the servicer, in relation to the servicing of the pool assets and the management of the pool of reference assets; and
- (d) summarise the amount of, or the formula for calculating, the fee that the servicer will receive for performing its duties.

Information on the Relevant Entity

6. Provide the following information on the relevant entity:
- (a) the date of incorporation or constitution of the relevant entity and, where the constituent documents of the relevant entity provide a limit as to the duration for which the relevant entity is to exist, such duration;
 - (b) the legal form of the relevant entity and the legislation under which it operates;

- (c) a summary of the permissible activities and any restrictions on such activities under the constituent documents of the relevant entity, including any restrictions on the ability to issue or invest in additional securities or securities-based derivatives contracts, to enter into arrangements to create exposure to additional reference assets, to borrow money or to make loans to other persons, and any provisions for the modification of the constituent documents of the relevant entity;
- (d) any specific discretionary activities with regard to the administration of the pool assets, the pool of reference assets or the structured notes, and the person or persons who will be authorised to exercise such discretion;
- (e) any assets owned or to be owned by the relevant entity, apart from the pool assets, and any liabilities of the relevant entity, apart from the structured notes and exposure created pursuant to the synthetic securitisation transaction;
- (f) the terms of any management or administration agreement relating to the structured notes; and
- (g) the capitalisation of the relevant entity and the amount and nature of each equity contribution.

Principal Terms and Conditions

- 7. Provide the following information on the structured notes being offered:
 - (a) a description of how cash is held and invested or used pending distribution to holders of the structured notes;
 - (b) a summary of the flow of funds, including the payment allocations, the rights in respect of interest and redemption, and the distribution priorities of the different classes of structured notes being offered;
 - (c) any specified changes to the flow of funds that will be triggered upon default or event of default;
 - (d) any performance triggers or events which will affect the flow of funds; and
 - (e) any legislation under which the structured notes have been created and the governing law and competent courts in the event of litigation.

Fees and Expenses

- 8. Provide an itemised list of all fees and expenses (other than expenses incurred in connection with the offer) to be paid or payable out of the cash flows

from the reference assets and pool assets. In itemising the fees and expenses, also indicate their general purpose, the party receiving such fees or expenses, the source of funds for such fees or expenses (if different from other fees or expenses or if such fees or expenses are to be paid from a specified portion of the cash flows) and the distribution priority of such expenses.

Excess Cash Flows

9. Disclose whether there is any intention or requirement to accumulate surpluses in the relevant entity and, if so, for the benefit of whom.

Multiple Tranches

10. If one or more additional tranches of structured notes that are backed by the same pool of reference assets and pool assets have been or may be issued by the relevant entity, include a prominent statement to that effect and provide information regarding each additional tranche of structured notes to the extent material to understanding its effect on the structured notes being offered, including —

- (a) the relative priority of that additional tranche of structured notes to the structured notes being offered in relation to the rights to —
 - (i) the pool assets; and
 - (ii) the cash flows from the pool of reference assets and the pool assets;
- (b) the allocation of cash flows from the pool of reference assets and the pool assets and any expenses or losses among the various tranches of structured notes;
- (c) the terms under which that additional tranche of structured notes may be issued and the reference assets increased or changed; and
- (d) a statement as to whether the prior approval of the existing holders of the structured notes will be sought.

Reports

11. Where the relevant entity does not intend to publish annual reports and financial statements, provide a statement of that fact.

Characteristics of Reference Assets

12. Disclose the party with the authority to add, remove or substitute assets from the pool of reference assets or determine if such assets meet the acquisition or underwriting criteria for additional reference assets.

Arrangements to Create Exposure to Reference Assets

13. Describe how exposure to the reference assets and any security interest in favour of the relevant entity or the holders of the structured notes is created, including the material terms of any agreement providing for such creation.

14. State the amount paid or to be paid for exposure to the reference assets, and the principles followed or to be followed in determining such amount, and identify the persons making the determination and their relationship, if any, with the relevant entity, the sponsor and any underwriter to the offer.

15. If expenses incurred in connection with the selection and acquisition of exposure to the reference assets are to be paid out of the proceeds from the offer, disclose the amount of such expenses. If such expenses are to be paid to the sponsor, the servicer, the relevant entity, the underwriter or any associate of the foregoing, separately identify the type and amount of expenses paid to each such party.

Reference Counterparties

16. Provide the following information in respect of each person who is directly or indirectly committed by contract or other arrangement to make payments in respect of any reference asset (referred to in this paragraph as a reference counterparty): (a) the name, address, country of incorporation and nature of business of the reference counterparty;

(b) to the extent that the relevant entity is aware or is able to ascertain from information published by the reference counterparty, material financial information in respect of the reference counterparty, unless the shares or equity interests of the reference counterparty are already listed for quotation on an securitiesapproved exchange or overseas securities exchange, in which case, the name of the exchange on which the shares or equity interests of the reference counterparty are already listed for quotation shall be disclosed;

(c) the credit quality of the reference counterparty;

(d) information on any relationship between the reference counterparty and the relevant entity or the sponsor;

- (e) information on the nature of the concentration of the reference assets with the reference counterparty; and
- (f) the material terms of the agreements with the reference counterparty involving the reference asset.

Pool Assets

17. Provide the following information on the pool assets:
 - (a) the total value of the pool assets and the method of determining such value, including any assumption used;
 - (b) the yield, a summary of the method by which that yield is calculated, the nominal rate of return and —
 - (i) if the nominal rate is a floating rate, how the rate is calculated; or
 - (ii) if several or variable rates are provided for, the conditions for changes in the rate;
 - (c) the date from which interest or any other payment accrues and the payment dates;
 - (d) the expiry or maturity dates of the pool assets, if applicable;
 - (e) whether the pool assets are secured or unsecured and, if secured, the type of collateral and the ratio of the value or amount of the pool assets to the value or amount of such security at the time of the transfer of the pool assets to the relevant entity;
 - (f) information on the credit quality of the pool assets; and
 - (g) where legal or regulatory provisions may materially affect the performance of the pool assets, information on these provisions and their effect.

Participants

18. Provide the following information in respect of the sponsor:
 - (a) the nature of its operations and principal activities;
 - (b) a summary of its synthetic securitisation programme and how long it has been engaged in similar synthetic securitisation transactions; and

- (c) its role and responsibilities in the synthetic securitisation programme, including its participation in setting up the structured notes structure and in the management of the pool of reference assets and the pool assets.
19. Provide the following information in respect of the servicer:
- (a) the nature of its operations and principal activities, and its experience in and procedures for servicing assets of the type included in the reference assets and the pool assets;
 - (b) the material terms of the servicing agreement and its duties in relation to the servicing of the pool assets and the management of the pool of reference assets;
 - (c) the manner in which amounts due in relation to the reference assets and pool assets will be collected and maintained;
 - (d) its ability to waive or modify any terms, fees, penalties or payments in relation to the reference assets or pool assets and the effect of any such ability, if material, on the potential cash flows to the relevant entity;
 - (e) if it has custodial responsibility for any or all of the pool assets, the arrangements regarding the safekeeping and preservation of the assets, or if it does not have custodial responsibility for any of the pool assets, that fact and the identity of the party that has such responsibility;
 - (f) any limitations on its liability under the servicing agreement;
 - (g) its financial condition, if this can have a material impact on one or more aspects of its servicing which in turn can materially affect the performance of the structured notes being offered; and
 - (h) a summary of the terms regarding the removal, replacement or resignation of the servicer.

Constituent Documents of Relevant Entity

20. Provide a summary of the provisions of the relevant entity's constituent documents and bylaws, including any provisions for the modification of the terms and conditions of the structured notes.

Consent from Issue Managers and Underwriters

21. Where a person is named in the prospectus as the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in

the prospectus as the issue manager or underwriter, as the case may be, to the offer.

Statement by the Directors of the Sponsor

22. Include a statement by the directors or equivalent persons of the sponsor that they individually and collectively accept full responsibility for the accuracy of the information given in the prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in the prospectus are fair and accurate in all material respects as at the date of the prospectus and that there are no material facts the omission of which would make any statement in the prospectus misleading.

TENTH SCHEDULE

Regulation 8(2)(d)

PARTICULARS TO BE INCLUDED UNDER SECTION 243(1) OF THE ACT
IN A PROSPECTUS FOR AN OFFER OF DEBENTURES OR UNITS OF
DEBENTURES IN A CASE REFERRED TO IN REGULATION 8(2)(d)

(69) Explanatory Note: The proposed amendments to the Eighth Schedule are mainly to replicate the amendments to the Seventh Schedule where appropriate.

PART I

FRONT COVER

1. On the front cover of the prospectus, provide —

(a) the date of registration of the prospectus or, in the case of a supplementary prospectus or replacement prospectus, the date of lodgment of the supplementary prospectus or replacement prospectus;

(b) the following statements:

(i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.”; ~~and~~

(ii) “A copy of this prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the

prospectus. Registration of the prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the debentures or units of debentures, as the case may be, being offered for investment.”; and

(iii) “As with all investment products, you should consider whether this is a suitable investment for yourself given your investment objectives and risk appetite. You are responsible for your own investment choices.”;

- (c) the name of the entity (referred to in this Schedule as the relevant entity) in respect of which the debentures or units of debentures, as the case may be, are being offered, and its country of incorporation or constitution; and
- (d) a statement that no debentures or units of debentures, as the case may be, shall be allotted or allocated on the basis of the prospectus later than 6 months after the date of registration of the prospectus by the Authority.

PART II

IDENTITY OF DIRECTORS, KEY EXECUTIVES, GUARANTOR ENTITIES, ADVISERS AND AGENTS

Directors and Key Executives

1. Provide the names, addresses and occupations of each of the directors or equivalent persons and key executives of the relevant entity. In the case of a guaranteed debenture issue, provide also such information in respect of the guarantor entity.

Advisers

2. Provide the names and addresses of —

~~the relevant entity’s principal banker or bankers;~~

(a) the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) to the offer, if any;

~~(b) the arranger of the offer, if any;~~

~~(e)~~(b) the underwriter to the offer, if any; and

~~(d)~~(c) the legal adviser for or in relation to the offer.

Guarantor Entity

3. In the case of a guaranteed debenture issue, provide the name and address of the guarantor entity.

Auditors

4. Provide the names, addresses and professional qualifications (including any membership in a professional body) of the relevant entity's auditors for the 2 most recent completed financial years. If applicable, provide also the name, address and professional qualifications (including any membership in a professional body) of any other auditor engaged by the relevant entity in relation to the requirements under Parts V and VIII of this Schedule. In the case of a guaranteed debenture issue, provide also such information in respect of the guarantor entity.

5. In a case where 2 or more persons are engaged by the relevant entity or guarantor entity to jointly audit, report on or prepare financial information for the relevant entity or guarantor entity, as the case may be, all of these persons shall be treated as auditors for the purposes of the requirements under Parts V and VIII of this Schedule if at least one of these persons satisfies the definition of auditor in section 2(1) of the Act.

Registrars and Agents

6. Provide the names and addresses of the relevant entity's paying agents, registrars, transfer agents and receiving bankers for the debentures or units of debentures, as the case may be, being offered.

Representative for Debenture Holders

7. Provide the name and address of the trustee, fiscal agent or any other representative for the debenture holders, and the main terms of the document governing such trusteeship or representation, including provisions concerning the functions, rights and obligations of the trustee, fiscal agent or representative. Disclose any conditions precedent or other requirements that are to be satisfied before the trustee, fiscal agent or representative will —

(d) enforce a lien against the property of the relevant entity;

(e) act on behalf of the debenture holders; or

(f) take any action at the request of the debenture holders.

8. If, in the reasonable opinion of the directors or equivalent persons, the trustee, fiscal agent or representative has a material relationship with the relevant

entity which could cause a conflict to arise between its interest as a trustee, fiscal agent or representative for the debenture holders and its other interests, describe the nature and terms of such relationship and explain why the directors or equivalent persons of the relevant entity still consider its appointment to be appropriate.

PART III

OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state —
 - (a) the amount of subscriptions that are being sought and, where applicable, the fact that the subscriptions may be reduced;
 - (b) the nature, denomination and, where applicable, number of the debentures or units of debentures, as the case may be, being offered;
 - (c) ~~where the debentures or units of debentures, as the case may be, are being offered at a discount or premium,~~ the face value of the debentures or units of debentures being offered; and
 - (d) the currency of the issue and, if the issue is payable in any currency other than the currency of issue, this fact.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to —
 - (a) the offer procedure; and
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of the registration of the prospectus by the Authority, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the

manner in which any extension or early closure of the offer period shall be made public.

4. State the method and time limit for paying up for the debentures or units of debentures, as the case may be, being offered.

5. State, where applicable, the methods of and time limits for —

(a) the delivery of the documents evidencing title to the debentures or units of debentures, as the case may be, being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and

(b) the book-entry transfers of the debentures or units of debentures, as the case may be, being offered in favour of subscribers or purchasers.

6. In the case of any pre-emptive rights to subscribe for or purchase the debentures or units of debentures, as the case may be, being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

7. Provide a full description of the manner in which results of the allotment or allocation of the debentures or units of debentures, as the case may be, being offered are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

PART IV

KEY INFORMATION

Principal Terms and Conditions

1. Provide the following information on the debentures or units of debentures, as the case may be, being offered:

(a) the yield, a summary of the method by which that yield is calculated, the issue and redemption prices, the nominal interest rate and —

(i) if the nominal interest rate is a floating rate, how the rate is calculated; or

(ii) if several or variable interest rates are provided for, the conditions for changes in the rate;

(b) the date from which interest accrues and the interest payment dates;

(c) the procedures for, and validity period of, claims to payment of interest and repayment of the principal sum;

(ca) if the principal sum of, or the interest on, the debentures or units of debentures, as the case may be, is payable in any currency other than the currency of the issue, state this fact. Where payments may be payable in 2 or more currencies, indicate —

(i) the person or persons who have the power to determine the currency or currencies in which payment is to be made and the applicable currency exchange rates, and

(ii) the basis on which both determinations in (i) will be made.

- (d) the final repayment date and any early repayment dates, specifying whether exercisable at the option of the relevant entity or of the holder of the debentures or units of debentures, as the case may be;
- (e) details of the arrangements for the amortisation or early redemption of the debentures or units of debentures, as the case may be, including procedures to be adopted;
- (f) a description of any subordination or seniority of the issue to other debts of the relevant entity already incurred or to be incurred. If the rights of the holders of the debentures or units of debentures, as the case may be, will be subordinated to other security holders or creditors, state the aggregate amount of outstanding indebtedness that ranks in priority to the debentures or units of debentures being offered as of the latest practicable date. If there is no limitation on the creation of additional indebtedness that ranks in priority to the debentures or units of debentures being offered, state such fact;
- (g) the rights conferred upon the holders of the debentures or units of debentures, as the case may be, including rights in respect of interest and redemption, and whether these rights may be materially limited or qualified by the rights of any other class of security holders or creditors;
- (h) the particulars of any security, including provisions relating to the release or substitution of such security, if applicable, and where the security is in the form of a fixed asset, any requirement for the maintenance of such asset;
- (i) the particulars of any significant covenant, including those concerning subsequent issues of other forms or series of debentures or units of debentures;
- (j) where applicable, a statement as to whether or not the relevant entity has any right to create additional charges over any of the assets subject to a

charge to secure the repayment of the debentures or units of debentures, as the case may be, which will rank in priority to or pari passu with the second-mentioned charge and, if there is such a right, particulars of its nature and extent;

- (k) the nature and scope of any guarantee, surety or commitment intended to ensure that the issue will be duly serviced with regard to both the principal sum of and the interest on the debentures or units of debentures, as the case may be, and the material terms and conditions of such guarantee, surety or commitment, including any conditions for the application of such guarantee, surety or commitment and any conditions to which the application of such guarantee, surety or commitment are subject;
- (l) any legislation under which the debentures or units of debentures, as the case may be, have been created, and the governing law and the competent courts in the event of litigation;
- (m) definition of events constituting defaults and the remedies available in the event of default, including the effect of a default upon acceleration of maturity of the debentures or units of debentures, as the case may be, as well as information on when holders of the debentures or units of debentures would be able to take action to enforce their claims; and
- (ma) the procedures in place and actions to be taken by the relevant entity, guarantor entity, trustee, fiscal agent or any other representative for the debenture holders (as the case may be) in the event of a default or potential event of default, including –
 - (i) in relation to the procedures that will be taken in the event of default or potential event of default, the communication plans with debenture holders and whether any meeting of debenture holders will be convened by the relevant entity, guarantor entity, trustee, fiscal agent or other representative for the debenture holders;
 - (ii) whether the trustee, fiscal agent or any other representative for the debenture holders is bound to take steps to ascertain whether there is an event of default or potential event of default; and
 - (iii) the conditions which must be fulfilled in order for the trustee to take any action on behalf of debenture holders or at the request of debenture holders, including any threshold of approval or

instruction by debenture holders and any pre-funding or indemnification requirement;

(n) provisions setting out how the ~~for modifications of~~ terms and conditions of the debentures or units of debentures, as the case may be, ~~or the rights of the holders of the debentures or units of debentures, may be modified;~~ and-

(o) the consequences of any failure to make payments which does not constitute an event of default and the remedies available under the terms of the debentures or units of debentures, as the case may be, or the applicable law.

Periodic Disclosures

1A. State whether or not the relevant entity and its guarantor entity are required under the terms of the document governing trusteeship or representation of the debenture holders or under any applicable law to make periodic disclosures of its financial statements or other information so as to enable holders of the debentures or units of debentures, as the case may be, to assess the relevant entity's and its guarantor entity's ability to fulfil their respective obligations under the debentures or units of debentures, as the case may be.

Credit Rating

2. If the relevant entity, its guarantor entity or the debentures or units of debentures being offered have been given a credit rating by a credit rating agency, disclose —

(a) the name of the credit rating agency;

(b) the credit rating (including whether it is a short-term or long-term credit rating);

(c) whether ~~any fee or benefit of any kind has been paid by or not~~ the relevant entity, its guarantor entity or any of their related parties, ~~had paid any fee or benefit of any kind~~ to the credit rating agency in consideration for the credit rating ~~assessment~~; and

(d) the date on which the credit rating was given.

2A. If a credit rating is disclosed under paragraph 2, provide the following information —

- (a) a statement on whether the credit rating is current as of the date of registration of the prospectus;
- (b) a statement to the effect that if there is any change in the credit rating from the date of registration of the prospectus to the close of the offer, the relevant entity shall lodge a supplementary or replacement prospectus to update the credit rating;
- (c) a statement that the credit rating is not a recommendation to invest in the debentures or units of debentures, as the case may be, and investors should perform their own evaluation as to whether the investment is appropriate;
- (d) a statement that the credit rating may be subject to revision or withdrawal at any time;
- (e) a statement that the credit rating is only a statement of opinion;
- (f) a statement stating the specific source or sources where the following information can be obtained —
 - (i) the rating methodology used by the credit rating agency;
 - (ii) the relative ranking of the credit rating;
 - (iii) an explanation of the meaning and limitations of the credit rating; and
 - (iv) if the credit rating is a “preliminary”, “provisional” or “expected” rating, the status of that designation and its implications on the relevant entity or the debentures or units of debentures being offered or, in the case of a guaranteed debenture issue, its implications on the relevant entity, its guarantor entity or the debentures or units of debentures being offered; and
- (g) if the credit rating is a “preliminary”, “provisional” or “expected” rating, a statement undertaking to announce the final rating when it is available; and
- (h) if the credit rating is below that of BBB by Fitch Ratings, Baa by Moody’s Investors Service or BBB by Standard and Poor’s Ratings Services, provide the following statement:
“This rating is a non-investment grade credit rating.”

2B. If the relevant entity, its guarantor entity, and the debentures or units of debentures (as the case may be) being offered have not been given a credit rating by a credit rating agency, state this fact and provide a statement to the effect that not having a credit rating means that an independent assessment by a credit rating agency of the default risk of the relevant entity, its guarantor entity, and the debentures or units of debentures (as the case may be) being offered has not been made.

Use of Proceeds from Offer and Expenses Incurred

3. In the same section, provide the information set out in paragraphs 4 to 8 of this Part.

4. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 5 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.

5. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of debentures or units of debentures, as the case may be.

6. If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset, ~~business or entity other than in the ordinary course of business~~, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition as well as the estimated completion date. Where funds have already been expended for the acquisition, state the amount which has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount which has been paid by the relevant entity or any other entity in the group. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined as well as whether the acquisition is on an arm's length basis.

7. ~~If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.~~

8. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

8A. Disclose —

(a) the amount of discount or commission per debenture or per unit of debenture, as the case may be, agreed upon between —

(i) the underwriter or other placement or selling agent in relation to the offer; and

(ii) the relevant entity or holder of debentures or units of debentures of the relevant entity selling such debentures or units of debentures;

(b) the major expenses incurred in connection with the offer and the issue and distribution of the debentures or units of debentures, as the case may be (in absolute terms and as a percentage of the total amount of the offer) that are payable by, or on behalf of, the relevant entity, in a reasonably itemised statement; and

(a)(c) if any expenses are to be paid by a person on behalf of the relevant entity, the identity of the person.

Risk Factors

9. Disclose, in a specific section with the heading “Risk Factors”, the risk factors that are specific to the relevant entity and its industry as well as the debentures or units of debentures, as the case may be, being offered, which had materially affected, or could materially affect, directly or indirectly, the relevant entity’s ability to fulfil its obligations to holders of the debentures or units of debentures, as the case may be, or the price or value of the debentures or units of debentures, or both. financial position and results and business operations, and investments by holders of debentures or units of debentures of the relevant entity. In the case of a guaranteed debenture issue, provide also the same type of such information in respect of the guarantor entity.

PART V
INFORMATION ON THE RELEVANT ENTITY

History of the Relevant Entity

1. Provide the following information:
 - (a) the date of incorporation or constitution and, where the constituent documents of the relevant entity provide a limit as to the duration for which the relevant entity is to exist, such duration;
 - (b) the legal form of the relevant entity, the legislation under which it operates, and the address and telephone and facsimile numbers of its registered office and principal place of business (if different from those of its registered office);
 - (c) the length of time for which the business of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group has been carried on; and
 - (d) a description of any recent events particular to the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any recent events particular to any entity of the group, which is material to the evaluation of the solvency of the relevant entity or its ability to meet its obligations to holders of the debentures or units of debentures, as the case may be~~material capital investment by the relevant entity or, if the relevant entity is the holding company or holding entity of a group, by the group, the making or divestment of which is being planned for or in progress, including the geographical location of the investment and the method of financing.~~

Organisational Structure

2. If the relevant entity is part of a group, briefly describe the group, and the relevant entity's position within the group. If the relevant entity is dependent (whether wholly or partly) on other entities within the group for its profitability and viability, identify such entities and explain this dependence~~the holding company or holding entity of a group, provide information on every subsidiary and subsidiary entity of the relevant entity, being a subsidiary or subsidiary entity, as the case may be, the absolute amount of the net assets, net liabilities or profit or loss before tax of which accounts for 10% or more of the absolute amount of the net assets, net liabilities or profit or loss before tax, respectively, of the group for any of the 2 most recent completed financial years. Such information shall include the name, country of incorporation or constitution, principal place of~~

~~business, principal activities, proportion of ownership interest of the relevant entity and, if different, proportion of voting power held by the relevant entity.~~

Business Overview and Financial Review

3. Provide the following information in respect of the relevant entity:
 - (a) the nature of the operations and principal activities;
 - (b) the main categories of products sold and services performed and any significant new products or services;
 - (c) the principal markets in which the relevant entity competes;
 - (d) the net sales or revenue of the relevant entity for the 2 most recent completed financial years;
 - (e) in respect of each financial year for which audited financial statements have been included in the prospectus and any interim period for which interim financial statements have been included in the prospectus, any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity, the extent to which the profit or loss before tax was so affected, and any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods; and
 - (f) a summary on whether the business or profitability of the relevant entity is materially dependent on any patent or licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process.
4. In paragraph 3 of this Part, a reference to the relevant entity shall, if the relevant entity is the holding company or holding entity of a group, be a reference to the group.

4A. Where the relevant entity has made any statement in the prospectus regarding its position vis-à-vis its competitors, disclose the basis for such statement.

Liquidity and Capital Resources

5. Provide the following information regarding liquidity (both short and long term) in respect of the relevant entity:

- (a) a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity as at the date of lodgment of the prospectus is sufficient for ~~present requirements~~ at least the next 12 months and, if insufficient, how the additional working capital, considered by the directors or equivalent persons to be necessary, is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgment of the prospectus shall not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an explicit condition of the offer that minimum net proceeds are to be raised and that the application monies will be returned to investors if the minimum net proceeds are not raised;
- (b) a brief evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —
- (i) the most recent completed financial year for which audited cash flow statements have been included in the prospectus; and
 - (ii) if an interim cash flow statement has been included in the prospectus, the period covered by the interim cash flow statement;
- (c) a summary of the nature and extent of any legal, financial or economic restriction on the ability of a subsidiary or subsidiary entity of the relevant entity to transfer funds to the relevant entity in the form of cash dividends, loans or advances, and the impact such restrictions have had or are expected to have on the ability of the relevant entity to meet its cash obligations;
- (d) if the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of debentures or units of debentures, as the case may be, of the relevant entity —
- (i) a statement of that fact;
 - (ii) details of the credit arrangement or bank loan; and

- (iii) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable); and
 - (e) in the case of a guaranteed debenture issue, the information referred to in sub-paragraphs (a) to (d) in respect of the guarantor entity.
6. Provide information on

(a) any material capital investment, including the amount invested, from the end of the period covered by the most recent financial statements included in the prospectus (whether such financial statements are annual financial statements or interim financial statements) to and including the latest practicable date;

(a)(b) any material commitment for capital expenditures as of the latest practicable date, ~~including and indicate~~ the general purpose of such commitment and the anticipated source of funds needed to fulfil such commitment; and

(c) any other material capital investment which is being planned for or in progress as of the latest practicable date, including the method of financing.

6A. Where the amount of trade receivables is material, provide information on the relevant entity's credit policy, the circumstances under which credit terms may be extended, the average collection period for each of the 3 most recent completed financial years and, if any interim financial statements have been included in the prospectus, the interim period, and any significant exposure to doubtful trade receivables for each of the 3 most recent completed financial years and, if any interim financial statements have been included in the prospectus, the interim period. If the amount of trade receivables as at the end of the most recent completed financial year or, if interim financial statements have been included, as at the end of the interim period, was significant, state the amount which has been collected as of the latest practicable date.

7. In paragraphs 5, ~~and 6~~ and 6A of this Part, a reference to the relevant entity shall, if the relevant entity is the holding company or holding entity of a group, be a reference to the group.

Trend Information and Profit Forecast or Profit Estimate

8. Where there has been a material adverse change in the business and financial prospects since the end of the period covered by the most recent financial statements included in the prospectus (whether such financial statements are

annual financial statements or interim financial statements), provide details of this material adverse change. If there has been no material adverse change, provide an appropriate statement to that effect.

8A. Discuss ~~for at least the current financial year, the business and financial prospects as well as~~ any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that would cause financial information disclosed in the prospectus to be not necessarily indicative of the future operating results or financial condition of the relevant entity. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.

9. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

10. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 9 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.

11. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 10 of this Part —

(a) a statement by the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) to the offer, or any other person whose profession or reputation gives authority to the statement made by him;

(i) that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or

(ii) to the effect that, on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 9 of this Part, no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

(b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to

in paragraph 9 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

12. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 10 of this Part —

- (a) a statement by the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 9 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 9 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

13. In paragraphs 8A, 10, 11 and 12 of this Part, a reference to the relevant entity shall, if the relevant entity is the holding company or holding entity of a group, be a reference to the group.

PART VI

CONTROLLING PERSONS, DIRECTORS, KEY EXECUTIVES AND EMPLOYEES

Directors and Key Executives

1. Provide the following information with respect to each of the directors or equivalent persons and key executives of the relevant entity:

- (a) name, brief summary of past working experience, educational and professional qualifications, if any, and areas of expertise or responsibility

in the relevant entity or, if the relevant entity is the holding company or holding entity of a group, in the group; and

- (b) each principal business activity performed outside the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the group and each principal directorship or equivalent position held at present other than in the relevant entity.

Controlling Persons

2. To the extent known to the relevant entity, state whether the relevant entity is directly or indirectly owned or controlled, whether severally or jointly, by any person or government, and if so, give the name of such person or government, and briefly describe the nature of such control, including the amount and proportion of capital held giving a right to vote.

Material Background Information

3. Disclose the following matters concerning a director or an equivalent person, a key executive, or a controlling shareholder or controlling interest-holder of the relevant entity:

- (a) whether at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner;
- (b) whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
- (c) whether there is any unsatisfied judgment against him;
- (d) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;

- (e) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
- (f) whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (g) whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (i) whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;
- (j) whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of —
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

- (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust;

- (k) whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Service Contracts

- 4. Provide details of any existing or proposed service contract entered or to be entered into by the directors or equivalent persons of the relevant entity with the relevant entity or its subsidiary or subsidiary entity which provide for benefits upon termination of employment, or an appropriate negative statement.

PART VII

INTERESTED PERSON TRANSACTIONS AND INTERESTS OF EXPERTS, UNDERWRITERS AND FINANCIAL ADVISERS

Interested Person Transactions

- 1. Provide the following information with respect to each transaction or loan, or proposed transaction or loan, between the beginning of the 2 most recent completed financial years and the latest practicable date, and between the entity at risk and an interested person of the relevant entity, which are material in the context of the offer:

- (a) the nature of the transaction and the quantum involved; and
- (b) the amount of the loan (including a guarantee of any kind) made by the entity at risk or interested person to or for the benefit of the interested person or entity at risk respectively, such information to include the largest amount outstanding during the period covered, the amount outstanding as at the latest practicable date, the nature of the loan and the transaction in which it was incurred, and the interest rate on the loan.

- 2. State —

- (a) for each transaction referred to in paragraph 1 of this Part, whether or not the transaction has been or will be carried out on an arm's length basis; and
 - (b) for each loan referred to in paragraph 1 of this Part, whether or not the loan was or will be made on an arm's length basis.
3. Where transactions or loans between the entity at risk and an interested person of the relevant entity are similar and recurring in nature or could otherwise be grouped in a meaningful manner, the information required with respect to the transactions or loans in paragraphs 1 and 2 of this Part should be provided on an aggregate basis, if the aggregate of these transactions or loans are material in the context of the offer.

Interests of Experts

4. If an expert named in the prospectus —
- (a) is employed on a contingent basis by the relevant entity or its subsidiary or subsidiary entity;
 - (b) has a material interest, whether direct or indirect, in the shares, equity interests or debentures of the relevant entity or its subsidiary or subsidiary entity; or
 - (c) has a material economic interest, whether direct or indirect, in the relevant entity, including an interest in the success of the offer,
- describe the nature and terms of such contingency or interest.

Interests of Underwriters or Financial Advisers

5. If, in the reasonable opinion of the directors or equivalent persons, any underwriter, ~~or other~~ financial adviser, or consultant engaged by the relevant entity in relation to the offer has a material relationship with the relevant entity, describe the nature and terms of such relationship.

PART VIII

FINANCIAL INFORMATION

- 1.—(1) In this Part, unless the context otherwise requires —
- “annual financial statements” means any annual financial statements of the relevant entity or, where the relevant entity is a holding company or

holding entity, any annual consolidated financial statements of the relevant entity or any annual combined financial statements of the group;

“auditor” or “auditors” includes, where the relevant entity has engaged any auditor other than its own in relation to any requirement under this Part, that auditor;

“common control business” means a business which —

- (a) at the time of registration of the prospectus, had been acquired by the relevant entity or any other entity in the group; and
- (b) immediately prior to its acquisition by the relevant entity or other entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant entity;

“common control business trust” means a business trust which —

- (a) at the time of registration of the prospectus, had been acquired by the relevant entity or any other entity in the group; and
- (b) immediately prior to its acquisition by the relevant entity or other entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant entity;

“common control entity” means an entity which —

- (a) at the time of registration of the prospectus, had been acquired by the relevant entity or any other entity in the group; and
- (b) immediately prior to its acquisition by the relevant entity or other entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant entity;

“group” means —

- (a) where the relevant entity is a corporation, the group of which the relevant entity is the holding company; or
- (b) where the relevant entity is not a corporation, the group of which the relevant entity is the holding entity;

“interim financial statements” means any interim financial statements of the relevant entity or, where the relevant entity is a holding company or

holding entity, any interim consolidated financial statements of the relevant entity or any interim combined financial statements of the group;

“underlying financial statements”, in relation to any financial statements which have been restated pursuant to paragraph 9(b)(i) of this Part (referred to in this definition as the restated financial statements), means the financial statements that form the basis for the restated financial statements.

(2) For the purposes of this Part, a person controls an entity, a business or a business trust if —

- (a) subject to sub-paragraph (b), under the accounting standards adopted by the relevant entity in the preparation of its annual financial statements; or
- (b) where those annual financial statements have been restated pursuant to paragraph 9(b)(i) of this Part, under the body of accounting standards in accordance with which those annual financial statements have been restated,

had the relevant entity been a holding company or holding entity, the person would have been treated, in the preparation of any consolidated financial statements of the relevant entity or any combined financial statements of the group, as having the capacity to determine the outcome of decisions on the financial and operating policies relating to the entity, business or business trust.

2. In the case of a guaranteed debenture issue, the information required under this Part shall also be given of the guarantor entity.

Audited Financial Information

3. Subject to paragraphs 4 and 8 of this Part, provide —

- (a) in a case where the relevant entity or, if the relevant entity is a holding company or holding entity, the relevant entity or any other entity in the group has acquired any common control entity, common control business or common control business trust between the beginning of the period comprising the 2 most recent completed financial years of the relevant entity or group, as the case may be, and the date of registration of the prospectus by the Authority —
 - (i) the annual financial statements of the relevant entity or, if the relevant entity is a holding company or holding entity, its annual consolidated financial statements or the annual combined

financial statements of the group for the 2 most recent completed financial years; or

(ii) where —

(A) the relevant entity has been in existence for less than 2 completed financial years or, if the relevant entity is a holding company or holding entity, neither the relevant entity nor any other entity in the group has been in existence for at least 2 completed financial years; and

(B) no common control entity, common control business or common control business trust has been held and controlled, whether directly or indirectly, by a person who controls the relevant entity as at the end of the earliest of the 2 most recent completed financial years,

the annual financial statements of the relevant entity or, if the relevant entity is a holding company or holding entity, its annual consolidated financial statements or the annual combined financial statements of the group for each financial year beginning with the financial year in which —

(AA) the relevant entity or, if the relevant entity is a holding company or holding entity, the relevant entity or any other entity in the group came into existence; or

(BB) any of the common control entities, common control businesses or common control business trusts was first held and controlled by a person who controls the relevant entity,

whichever is earlier; or

(b) in any other case, the annual financial statements of the relevant entity or, if the relevant entity is a holding company or holding entity, its annual consolidated financial statements for the 2 most recent completed financial years or, where the relevant entity has been in existence for less than 2 completed financial years, for each of the financial years during which it has been in existence.

4. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year —

(a) the annual financial statements for the most recent completed financial year need not be provided under paragraph 3 of this Part;

- (b) a reference to the 2 most recent completed financial years in paragraphs 3 and 8 of this Part shall be construed as a reference to the 2 completed financial years immediately preceding the most recent completed financial year; and
- (c) a reference to the most recent completed financial year in paragraphs 3 and 6 of this Part shall be construed as a reference to the financial year immediately preceding the most recent completed financial year.

5. The annual financial statements to be provided under paragraph 3(a) of this Part shall be prepared as if the common control entities, common control businesses or common control business trusts were, at the time they were held and controlled, whether directly or indirectly, by a person who controls the relevant entity, a part of the relevant entity or the group, as the case may be, for the relevant financial periods.

6. If any annual financial statements to be provided under paragraph 3 of this Part relate to a period other than 12 months due to a change in the financial year end of the relevant entity or the group, as the case may be, the annual financial statements in respect of that financial year and the financial years preceding that financial year shall be provided on a restated 12-month basis, so that the financial year end for each of the restated financial statements corresponds to the financial year end for the most recent completed financial year.

7. For the avoidance of doubt, where the relevant entity or any other entity in the group has acquired any asset or any entity, business or business trust (other than a common control entity, common control business or common control business trust), the annual financial statements to be provided under paragraph 3 of this Part shall include such asset, entity, business or business trust only from the date of its acquisition by the relevant entity or the other entity in the group, as the case may be.

8. The annual financial statements of the relevant entity or the group, as the case may be, need not be provided under paragraph 3 of this Part in respect of any financial year in which —

- (a) the relevant entity and, if the relevant entity had acquired any common control business between the beginning of the period comprising the 2 most recent completed financial years and the date of registration of the prospectus by the Authority, all such common control businesses; or
- (b) where the relevant entity is a holding company or holding entity, the group and, if the relevant entity or any other entity in the group had acquired any common control entity, common control business or

common control business trust between the beginning of the period comprising the 2 most recent completed financial years and the date of registration of the prospectus by the Authority, all such common control entities, common control businesses and common control business trusts, were dormant or had not commenced any activity as at the end of that financial year.

9. Each of the annual financial statements to be provided under paragraph 3 of this Part must be —

- (a) prepared in accordance with the ~~[●New Framework]Financial Reporting Standards (referred to in this Part as FRS)~~, the International Financial Reporting Standards (referred to in this Part as IFRS) or the US Generally Accepted Accounting Principles (referred to in this Part as US GAAP); or
- (b) where the annual financial statements are not prepared in accordance with any body of accounting standards referred to in sub-paragraph (a) —
 - (i) restated in accordance with any body of accounting standards referred to in sub-paragraph (a);
 - (ii) if no material adjustments are required to restate the annual financial statements in accordance with any body of accounting standards referred to in sub-paragraph (a), accompanied by an opinion from the auditors that this is so; or
 - (iii) prepared in accordance with such other body of accounting standards as may be approved in any particular case by the Authority.

(70) Explanatory Note: Singapore incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore (“Listed Singapore Companies”), are required by the Accounting Standards Council to apply a new Singapore financial reporting framework (“New Framework”) (that is identical to IFRS) for financial years beginning on or after 1 January 2018. Singapore incorporated companies that are not Listed Singapore Companies are allowed by Accounting Standards Council to continue using their existing financial reporting

framework (including FRS) or voluntarily adopt the New Framework. Amendment to paragraph 8 is proposed to clarify that MAS will be requiring financial information in prospectuses accompanying offers by Singapore incorporated companies that are not Listed Singapore Companies to be prepared in the New Framework (replacing FRS).

9A. Notwithstanding paragraph 9 of this Part, an annual financial statement to be provided under paragraph 3 of this Part may be prepared in accordance with the Financial Reporting Standards (referred to in this Part as FRS), provided that

—

- (a) the financial year covered by that annual financial statement begins before 1 January 2018;
- (b) where the financial years covered by all the annual financial statements to be provided under paragraph 3 of this Part begin before 1 January 2017, the prospectus discloses the following —
 - (i) the qualitative information on the prospective changes from FRS to [●New Framework], including a discussion of the impact that initial application of the [●New Framework] is expected to have on the financial statements;
 - (ii) an audited reconciliation of net profit after tax of the most recent completed financial year prepared in accordance with FRS, to [●New Framework]; and
 - (iii) an audited reconciliation of net assets of the most recent completed financial year prepared in accordance with FRS, to [●New Framework]; and
- (c) where the financial year covered by one of the annual financial statements to be provided under paragraph 3 of this Part begins on or after 1 January 2017 but before 1 January 2018, the prospectus discloses the following —
 - (i) the annual financial statements covering the financial years beginning before 1 January 2017, if any, prepared in accordance with FRS;

(ii) the annual financial statement covering the financial year beginning on or after 1 January 2017 but before 1 January 2018 prepared in accordance with FRS, and accompanied by —

(A) an audited reconciliation of the statement of profit or loss and other comprehensive income prepared in accordance with FRS, to [●New Framework];

(B) an audited reconciliation of the statement of cash flows prepared in accordance with FRS, to [●New Framework];

(C) an audited reconciliation of the statement of financial position prepared in accordance with FRS, to [●New Framework];

(D) an audited reconciliation of the statement of changes in equity prepared in accordance with FRS, to [●New Framework];

(E) notes to describe any differences between the financial figures prepared in FRS and those in the [●New Framework], and

(i)(iii) the annual financial statements covering the financial years beginning on or after 1 January 2018, if any, prepared in accordance with the [●New Framework].

(71) Explanatory Note: New paragraph 9A is proposed to provide companies that currently prepare annual financial statements in FRS and that are targeting to issue publicly traded debt shortly after the New Framework comes into effect, with transitional relief from restating up to two years of historical annual financial statements from FRS to the New Framework pursuant to the amendments in paragraph 9. Companies have the option of using the transitional relief, or restating up to two years of historical annual financial statements.

10. State, in respect of each financial year, the body of accounting standards that was adopted by the relevant entity in the preparation of the annual financial statements to be provided under paragraph 3 of this Part for that financial year

and, where the annual financial statements have been restated pursuant to paragraph 9(b)(i) of this Part, the body of accounting standards in accordance with which the underlying financial statements have been restated.

11. State, in respect of each financial year, the body of auditing standards that was adopted by the auditors of the relevant entity in the audit of the annual financial statements to be provided under paragraph 3 of this Part for that financial year or, where the annual financial statements have been restated pursuant to paragraph 9(b)(i) of this Part, the body of auditing standards that was adopted in the audit of the underlying financial statements.

12. Subject to paragraph 13 of this Part, each of the annual financial statements to be provided under paragraph 3 of this Part shall be accompanied by —

- (a) the audit report in respect of the annual financial statements or, if the auditors have refused to issue an audit report in respect of the annual financial statements, a statement highlighting and providing the reasons for the auditors' refusal;
- (b) a statement identifying the auditors who audited the annual financial statements and the membership or memberships of each auditor in any professional body or bodies; and
- (c) if the audit report in respect of the annual financial statements contains any material qualification, modification or disclaimer, a statement highlighting and providing the reasons for the qualification, modification or disclaimer in the prospectus.

13. Where any annual financial statements have been restated pursuant to paragraph 9(b)(i) of this Part, state that fact and include in the prospectus in respect of each of the restated financial statements —

- (a) an opinion from the auditors of the relevant entity that nothing has come to their attention that causes them to believe that the restated annual financial statements have not been properly restated in all material respects in accordance with a body of accounting standards referred to in paragraph 9(a) of this Part;
- (b) a statement of reconciliation between the restated annual financial statements and the audited underlying financial statements;
- (c) a statement identifying the auditors who audited the underlying financial statements and the membership or memberships of each auditor in any professional body or bodies; (d) either of the following:

- (i) a statement that the audit report for the underlying financial statements does not contain any material qualification; or
 - (ii) if the audit report for the underlying financial statements contains any material qualification, modification or disclaimer, a statement setting out in full and providing the reasons for the qualification, modification or disclaimer, as the case may be;
- (e) a statement that the auditor for the underlying financial statements has given, and has not withdrawn, his written consent to the issue of the prospectus with the inclusion of the statements referred to in sub-paragraphs (c) and (d) in the form and context in which they are included in the prospectus; and
- (f) a statement that copies of the audited underlying financial statements are available for inspection at a specified place in Singapore for a period of at least 6 months from the date of registration of the prospectus by the Authority.

14. The annual financial statements to be provided under paragraph 3 of this Part or, where annual financial statements have been restated pursuant to paragraph 9(b)(i) of this Part, the underlying financial statements shall be made up to a date not earlier than 12 months before the date of lodgment of the prospectus.

Interim Financial Information

15. Provide the interim financial statements of the relevant entity or, where the relevant entity is a holding company or holding entity, of the group, if such financial statements are required to be prepared under any law or regulatory requirement applicable to the relevant entity.

Pro Forma Financial Information

16. Where —

- (a) the relevant entity or, if the relevant entity is a holding company or holding entity, the relevant entity or any other entity in the group, has —
 - (i) acquired or disposed of any asset or any entity, business or business trust (other than a common control entity, common control business or common control business trust); or
 - (ii) entered into any agreement to acquire or dispose of any asset or any entity, business or business trust (whether or not that entity,

business or business trust is a common control entity, common control business or common control business trust),

during the period between the beginning of the most recent completed financial year and the date of registration of the prospectus by the Authority and —

- (A) the net book value, or the absolute amount of the profit or loss before tax, of that asset, entity, business or business trust has or would have accounted for 10% or more of the absolute amount of the net assets or net liabilities, or the profit or loss before tax, respectively, of the relevant entity or of the group (after adjusting for the effects of the group restructuring, where applicable), as the case may be, in respect of the most recent completed financial year; or
 - (B) the total net book value, or the total absolute amount of the profit or loss before tax, of all of those assets, entities, businesses and business trusts together have or would have accounted for 20% or more of the absolute amount of the net assets or net liabilities, or the profit or loss before tax, respectively, of the relevant entity or of the group (after adjusting for the effects of the group restructuring, where applicable), as the case may be, in respect of the most recent completed financial year; or
- (b) any significant change to the capital structure (including any material distribution) of the relevant entity, or, if the relevant entity is a holding company or holding entity, of the relevant entity or of any other entity or any business trust in the group, has occurred during the period between the end of the most recent completed financial year and the date of registration of the prospectus by the Authority,

identify all assets, entities, businesses and business trusts referred to in sub-paragraph (a), if any, and state, in respect of the most recent completed financial year and, if interim financial statements of the relevant entity or of the group have been included in the prospectus, in respect of the period covered by the interim financial statements, the financial effect of all such acquisitions, disposals and significant changes, where the relevant entity is a corporation, on the earnings or loss per share, and the net assets or net liabilities per share, of the relevant entity or, if the relevant entity is the holding company of a group, on the earnings or loss, and the net assets or net liabilities, of the group divided by the number of shares of the relevant entity, or, where the relevant entity is not a corporation, on the earnings or loss per unit of equity interest, and the net assets

or net liabilities per unit of equity interest, of the relevant entity or, if the relevant entity is the holding entity of a group, on the earnings or loss, and the net assets or net liabilities, of the group divided by the number of units of equity interest in the relevant entity.

17. In respect of the statement of financial effect under paragraph 16 of this Part, state —

- (a) that it is prepared for illustrative purposes only and based on certain assumptions after making certain adjustments;
- (b) that because of its nature, it may not give a true picture of —
 - (i) the earnings or loss per share or per unit of equity interest, or the net assets or net liabilities per share or per unit of equity interest, of the relevant entity; or
 - (ii) the earnings or loss, or the net assets or net liabilities, of the group divided by the number of shares of, or the number of units of equity interests in, the relevant entity,as the case may be;
- (c) the basis, and any assumption, upon which it is prepared, and the source or sources of information used in the computation of the financial effect; and
- (d) any material adjustment made to the information used in the computation and the reason for the adjustment.

18. Include in the prospectus, an opinion from the auditors that —

- (a) the financial effect stated under paragraph 16 of this Part has been properly computed on the basis stated in paragraph 17(c) of this Part; and
- (b) each material adjustment made to the information used in the computation of a financial effect —
 - (i) is appropriate for the purpose of the computation; and
 - (ii) is in accordance with generally accepted auditing standards in Singapore or such other body of auditing standards as may be approved in any particular case by the Authority.

19. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, the reference to the most recent

completed financial year in paragraph 16 shall be construed as a reference to the financial year immediately preceding the most recent completed financial year.

Change in Accounting Policies

20. Where there has been any material change to the relevant entity's accounting policies, provide a summary of the material change and the reason for and quantitative impact of such change on the financial results of the relevant entity or, if the relevant entity is a holding company or holding entity, of the group for each of the 2 most recent completed financial years. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, the reference to the 2 most recent completed financial years in this paragraph shall be a reference to the 2 most recent completed financial years immediately preceding the most recent completed financial year.

Litigation

21. Provide information on any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the prospectus, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity, of the group.

Significant Changes

22. Disclose any event (other than any matter disclosed under paragraph 16 of this Part) that has occurred from the end of the period covered by the most recent financial statements included in the prospectus (whether such financial statements are annual financial statements or interim financial statements) to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, where the relevant entity is a holding company or holding entity, the group or, if there is no such event, provide an appropriate negative statement.

Secured Debentures

23. Provide, in relation to an offer of secured debentures or certificates of debenture stock, a summary by the auditors of the relevant entity showing, in tabular form —

- (a) the aggregate value of the tangible assets owned by the relevant entity;

- (b) the aggregate value of the tangible assets owned by each, or jointly owned by two or more of its guarantor entities; and
- (c) the aggregate value of the tangible assets jointly owned by the relevant entity and one or more of its guarantor entities,

which have been charged to secure the repayment of all or any moneys payable in respect of the secured debentures or certificates of debenture stock, including an explanation of any adjustment made for the purpose of providing a true and fair view of those assets.

24. Show also, in the summary —

- (a) the amounts outstanding of the aggregate amounts borrowed by the relevant entity and by each of its guarantor entities, distinguishing between those amounts outstanding which will rank for repayment in priority to the amount under the proposed issue and those amounts outstanding which will rank for repayment *pari passu* with the amount under the proposed issue;
- (b) where any charge is for a liability the amount of which may vary from time to time, the actual amount of the liability as at the date on which the summary is made and any further amount which may be advanced under that charge; and
- (c) the aggregate amount of advances by the relevant entity to related corporations or related entities of the relevant entity, distinguishing between advances which are secured and advances which are unsecured.

25. The auditors of the relevant entity may explain or qualify, by way of notes or otherwise, any of the matters set out in the summary.

26. Where the tangible assets referred to in paragraph 23 of this Part are in the form of property, provide information on a report of the valuation of the interest of the relevant entity and each of its guarantor entities in each property charged, showing the nature and extent of the interest of the relevant entity and of each of its guarantor entities, such report to be made not more than 6 months before the date of lodgment of the prospectus by an independent qualified valuer.

PART IX

THE OFFER AND LISTING

Offer Details

1. Where the debentures or units of debentures, as the case may be, are offered at a discount or premium, state the discount or premium and the method

~~for determining such discount or premium. Indicate the issue premium or discount at which the debentures or units of debentures, as the case may be, are being offered and the amount of any expense specifically charged to the subscriber or purchaser.~~

1A. Indicate the amount of any expense specifically charged to the subscriber or purchaser of the debentures or units of debentures, as the case may be, being offered.

2. Indicate whether the debentures or units of debentures, as the case may be, being offered are in registered or bearer form.

3. Describe the arrangement for transfer and any restriction on the free transferability of the debentures or units of debentures, as the case may be, being offered.

Plan of Distribution

4. Where not all of the debentures or units of debentures, as the case may be, being offered are underwritten or guaranteed, provide a statement of the portion not so underwritten or guaranteed.

5. Where the offer of debentures or units of debentures, as the case may be, is underwritten, provide a brief summary of the features of the underwriting relationship and state whether the arrangement is —

(a) one under which the underwriters are or will be committed to take and to pay for all of the debentures or units of debentures; or

(b) an agency or “best efforts” type of arrangement under which the underwriters are required to take and to pay for only such debentures or units of debentures as they may be able to sell to the public.

5A. State whether or not ~~Where~~ the relevant entity reserves the right to accept or retain over-subscriptions, ~~and, if the relevant entity reserves such a right, state~~ the limit on the right so reserved expressed as a sum of money. Also, ~~indicate whether if~~ the amount of the debentures or units of debentures, as the case may be, being offered can be increased, such as by the exercise of an underwriter’s over-allotment option or “greenshoe option”, ~~and~~ state the exercise period of and amount under such option.

6. If applicable, identify any group of targeted potential investors to whom the debentures or units of debentures, as the case may be, are being offered. If the offer is being made simultaneously in the markets of 2 or more countries and if a

tranche has been or is being reserved for any of these countries, indicate any such tranche.

7. Indicate the amount, and outline briefly the plan of distribution, of any debentures or units of debentures, as the case may be, that are to be offered otherwise than through underwriters. If the debentures or units of debentures are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

Markets

8. Where applicable, identify the overseas ~~securities~~ exchange on which —

- (a) debentures or units of debentures, as the case may be, of the same class as those being offered are already listed for quotation or quoted, or on which permission to list for quotation or quote the debentures or units of debentures is being or is proposed to be sought; and
- (b) any part of the shares or equity interests of the relevant entity is already listed for quotation or quoted, or on which permission to list for quotation or quote any part of the shares or equity interests is being or is proposed to be sought, specifying the name of the overseas ~~securities~~ exchange on which the relevant entity's primary listing is or is to be, or an appropriate negative statement.

9. When permission to list for quotation or quote on any overseas ~~securities~~ exchange is being or is proposed to be sought in respect of the first-mentioned debentures or units of debentures in paragraph 8 of this Part, or the debentures or units of debentures which are the subject of the current offer, state that fact without creating the impression that the application for permission will necessarily be approved. If known, provide the dates on which such debentures or units of debentures will be listed for quotation or quoted and on which trading will commence.

10. Provide information on how holders of the debentures or units of debentures can sell their debentures or units of debentures after the offer. If there is no established market for the debentures or units of debentures, as the case may be, after the offer, highlight prominently on the front cover of the prospectus and in the section with the heading "Risk Factors" to the effect that there is no established market through which the debentures or units of debentures, as the case may be, may be sold and investors may not be able to re-sell the debentures or units of debentures.

(72) Explanatory Note: For debentures or units of debentures which will not be listed on the securities exchange, it is important for investors to know how they could exit their investments or if there is no market for investors to sell their debentures or units of debentures, such fact. A new paragraph 9A is accordingly proposed to require the issuer to disclose such information.

PART X

ADDITIONAL INFORMATION

Capital

1. In a case where the relevant entity is a corporation, state the amount of issued share capital in respect of the relevant entity as of the latest practicable date and, for each class of share capital, provide the following information:

- (a) the number of shares issued and fully paid; and
- (b) the number of shares issued but not fully paid.

2. In a case where the relevant entity is not a corporation, state the amount of equity capital in respect of the relevant entity as of the latest practicable date and, for each class of equity capital, provide the following information:

- (a) the amount of equity interests issued and fully paid; and
- (b) the amount of equity interests issued but not fully paid.

3. ~~Indicate the number of shares or amount of equity interests in the relevant entity held by or on behalf of the relevant entity itself or by its subsidiary or subsidiary entity.~~

4. ~~Provide the description, number and amount of any securities, securities-based derivatives contracts or equity interests in the relevant entity which any person has, or has the right to be given, an option to subscribe for or purchase, together with the following particulars of the option:~~

- ~~(a) the period during which the option is exercisable;~~
- ~~(b) the exercise price;~~
- ~~(c) the consideration, if any, given or to be given for the option or for the right to the option; and~~

~~(d) the identity of the person to whom the option or the right to it was given.~~

5. ~~If the option or right referred to in paragraph 4 of this Part was given to all existing holders of the shares or equity interests in, or debentures of, the relevant entity on a pro rata basis or to employees under an employees' share option or investment scheme, it will be sufficient to state that fact without identifying each holder or employee.~~

6. Provide an indication of the resolutions, authorisations and approvals by virtue of which any debentures or units of debentures of the relevant entity may be issued, the nature and amount of the issue, and the number of debentures or units of debentures which may be issued, if predetermined.

Constituent Documents of Relevant Entity

7. Provide a summary of the provisions of the relevant entity's constituent documents and bylaws with respect to —

- (a) the borrowing powers exercisable by the directors or equivalent persons of the relevant entity;
- (b) how such borrowing powers may be varied; and
- (c) the number of shares or amount of equity interests, if any, required for qualification as a director or an equivalent person.

Material Contracts

8. Provide a brief summary of each material contract, other than a contract entered into in the ordinary course of business, ~~to~~ which could result in the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group ~~is a party, being under an obligation or entitlement that is material to the ability of the relevant entity to meet its obligations to holders of the debentures or units of debentures, as the case may be for the period of 2 years before the date of lodgment of the prospectus, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.~~

Taxation

9. Provide information regarding taxes (including withholding provisions) to which debenture holders of the relevant entity may be subject. If the relevant entity is incorporated outside Singapore, the information shall include whether the relevant entity assumes responsibility for the withholding of tax at source and

applicable provisions of any reciprocal tax treaties between the home country of the relevant entity and Singapore, or a statement, if applicable, that there are no such treaties.

Statements by Experts

10. Where a statement or report attributed to a person as an expert is included in the prospectus, provide such person's name, address and qualifications.

11. Where the prospectus contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert —

- (a) state the date on which the statement was made;
- (b) state whether or not it was prepared by the expert for the purpose of incorporation in the prospectus; and
- (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the prospectus with the inclusion of the statement in the form and context in which it is included in the prospectus.

12. The information referred to in paragraphs 10 and 11 of this Part need not be provided in the prospectus if the statement attributed to the expert is a statement to which the exemption under regulation 26(1) applies.

Consents from Issue Managers and Underwriters

13. Where a person is named in the prospectus as the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the prospectus as the issue manager or underwriter, as the case may be, to the offer.

Documents for Inspection

14. Provide a statement that for a period of at least 6 months from the date of registration by the Authority of the prospectus, the following documents (or copies thereof), where applicable, may be inspected at a specified place in Singapore:

- (a) the constituent documents of the relevant entity;

- (b) ~~any trust deed, fiscal agency agreement or other document constituting the debentures or units of debentures, as the case may be;~~
- (c) every material contract referred to in the prospectus or, where the contract is not reduced into writing, a memorandum giving full particulars thereof;
- (d) the service contracts of directors or equivalent persons of the relevant entity referred to in the prospectus;
- (e) every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the prospectus;
- (f) if the relevant entity is not the holding company or holding entity of a group, the audited financial statements of the relevant entity for each of the financial years for which audited financial statements of the relevant entity have been included in the prospectus;
- (g) if the relevant entity is the holding company or holding entity of a group, the respective audited financial statements of the entities, businesses or business trusts in the group (being entities, businesses or business trusts which have audited financial statements) for each of the financial years for which audited financial statements of the relevant entity have been included in the prospectus;
- (h) any interim financial statements of the relevant entity or group, as the case may be, which are included in the prospectus;
- (i) in the case of a corporation incorporated in Singapore, all notes, reports or information relating to the financial statements referred to in sub-paragraphs (f), (g) and (h) which are required to be prepared under the Companies Act (Cap. 50);
- (j) where the financial statements referred to in this paragraph have been restated pursuant to paragraph 9(b)(i) of Part VIII of this Schedule, the restated annual financial statements and the audited annual financial statements which form the basis for the restated annual financial statements; and
- (k) in the case of a guaranteed debenture issue, documents (or copies thereof) referred to in sub-paragraphs (f) to (j) of the guarantor entity.

15. Provide a statement that the trust deed, fiscal agency agreement or other document (or a copy thereof) constituting the debentures or units of debentures

and in the case of a guaranteed debenture issue, the guarantee and other related documents (or a copy thereof), may be inspected by any person at a specified place in Singapore from the date of registration by the Authority of the prospectus and for as long as any debentures or units of debentures, as the case may be, remain outstanding.

PART XI

ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

1. In paragraphs 3C, 4, 7 and 8 of this Part, a reference to the relevant entity shall, if the relevant entity is the holding company or holding entity of a group, be a reference to the group.

Information on Convertible Debentures

2. Provide information concerning the nature of the securities, securities-based derivatives contracts, equity interests or property offered by way of conversion, exchange, subscription or purchase and the rights attached thereto including, in particular, the voting rights, entitlement to share in profits and, in the event of liquidation, any surplus and any other special rights.

3. Provide information on the terms, conditions and procedures for conversion, exchange, subscription or purchase and details of the circumstances under which they may be amended, including the following information:

- (a) the total number or value of securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase;
- (b) the period during which the conversion, exchange, subscription or purchase right may be exercised and the date on which this right commences;
- (c) the amount payable on the exercise of the conversion, exchange, subscription or purchase right;
- (d) any arrangement for the transfer or transmission of the conversion, exchange, subscription or purchase right;
- (e) the rights of the holders of the debentures or units of debentures in respect of the conversion, exchange, subscription or purchase right on the liquidation of the entity the securities, securities-based derivatives contracts, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase;

- (f) any arrangement for the variation in the subscription price of the securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, or in the exercise price of the convertible debentures, or in the number or value of securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, in the event of any alteration in the capital of the entity the securities, securities-based derivatives contracts, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase; and
- (g) if there is no established market for the securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, the manner of determining the subscription or exercise or conversion price, including who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

Risk Factors

3A. In addition to paragraph 10 of Part IV, disclose in the same section with the heading “Risk Factors”, any other risk factors that are specific to the relevant entity and its industry as well as the securities, securities-based derivative contracts, equity interests or property, as the case may be, into which the convertible debenture may be converted, which had materially affected, or could materially affect, directly or indirectly, the relevant entity’s financial position and results and business operations or such securities, securities-based derivative contracts, equity interests or property.

Organisational Structure

3B. If the relevant entity is the holding company or holding entity of a group, provide information on every subsidiary and subsidiary entity of the relevant entity whose absolute amount of the net assets, net liabilities or profit or loss before tax accounts for 10% or more of the absolute amount of the net assets, net liabilities or profit or loss before tax, respectively, of the group for any of the 3 most recent completed financial years. Such information shall include the name, country of incorporation or constitution, principal place of business, principal activities, proportion of ownership interest of the relevant entity and, if different, proportion of voting power held by the relevant entity.

Material Divestments

3C. Provide a description of any divestment of material capital investment by the relevant entity which is being planned for or in progress, including the geographical location of the investment.

Research and Development

4. Where research and development activities are material to the relevant entity's business, provide a description of the ~~material~~ research and development policies of the relevant entity for the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus.

Financial Review

5. For the purposes of Parts V and VIII of this Schedule, the financial statements or other financial information to be provided in respect of the relevant entity or the group must be for the 3 most recent completed financial years instead of the 2 most recent completed financial years.

6. In the case where the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, the reference to the 3 most recent completed financial years in paragraphs 4 and 5 of this Part shall be a reference to the 3 most recent completed financial years preceding the most recent completed financial year.

Dividends or Distributions

7. Disclose the amount of dividends ~~per share~~ (where the relevant entity is a corporation) or distributions ~~per unit of equity interest~~ (where the relevant entity is not a corporation), if any, paid or declared by the relevant entity in respect of each class of equity capital for each of the 3 most recent completed financial years and for the period from the end of the most recent completed financial year to the latest practicable date. ~~giving~~ Provide particulars of each such class of equity capital and of any case in which no dividends or distributions have been paid in respect of any class of equity capital for any of those years or the abovementioned period. Where dividends or distributions have been declared but not paid, state when they will be paid.

Covenants

8. State the particulars of any significant covenant of the relevant entity concerning capital increases.

Compensation for services

9. Disclose —

- (a) the aggregate amount of compensation paid by the relevant entity or its subsidiary or subsidiary entity for each of the 2 most recent completed financial years; and
- (b) the estimated aggregate amount of compensation paid and to be paid by the relevant entity or its subsidiary or subsidiary entity for the whole of the current financial year,

to the directors or equivalent persons of the relevant entity for services rendered by them in all capacities to the relevant entity or its related corporation or related entity.

10. For the purposes of paragraph 9 of this Part —

- (a) compensation includes any benefit in kind; and
- (b) compensation that has already been paid includes any deferred compensation accrued for the financial year in question and payable at a later date.

11. For the purposes of paragraph 9(b) of this Part, any estimated amount of compensation that is to be paid pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement, but which has not yet been paid, may be excluded from the calculation of the estimated amount of compensation in respect of the whole of the current financial year, provided that that fact is stated.

12. For a service contract referred to in paragraph 4 of Part VI of this Schedule with a fixed term, state the term of each such contract, the unexpired term and the name of the relevant director or equivalent person.

Substantial Shareholders or Substantial Interest-holders, Directors and Key Executives

13. Provide the name of each substantial shareholder or substantial interest-holder, each director or equivalent person, and the chief executive officer or equivalent person of the relevant entity, and state —

- (a) in the case where the relevant entity is a corporation, the number and percentage of shares in the relevant entity of each class in which each of

them has an interest, ~~whether direct or deemed under section 4 of the Act;~~
or

- (b) in the case where the relevant entity is an entity (not being a corporation), the amount of equity interests in the relevant entity in which each of them has an interest,

as of the latest practicable date and immediately after the offer. Disclose any significant change in the percentage of ownership in the last 3 years prior to the latest practicable date.

13A. For purposes of paragraph 13(a), section 4 (other than subsection (6)) of the Act shall apply for determining whether a person has an interest in the shares of the relevant corporation; and in determining whether a person deemed to have an interest for the purposes of subsection (5) of that section, a person shall be treated as an associate of another person if the first-mentioned person is —

- (a) a subsidiary of the second-mentioned person;
- (b) a person who is accustomed or is under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the second-mentioned person in relation to those shares; or
- (c) a corporation which is, or the directors of which are, accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the second-mentioned person in relation to those shares.

14. Indicate the nature of any family relationship —

- (a) between any of the persons named in paragraph 1 of Part VI of this Schedule; or
- (b) between any of the persons named in paragraph 1 of Part VI of this Schedule and any substantial shareholder or substantial interest-holder of the relevant entity.

Conflict of Interests

15. Where a director or an equivalent person, or a controlling shareholder or controlling interest-holder, of the relevant entity, or any of their associates, has an interest in any other entity carrying on the same business or dealing in similar products as the relevant entity or, if the relevant entity is the holding company or holding entity of a group, as the group, disclose —

- (a) the name of that other entity;

- (b) the name of the director or equivalent person, or controlling shareholder or controlling interest-holder, of the relevant entity involved;
- (c) the nature and extent of his interest in that other entity and the extent to which he is involved in the management of that other entity either directly or indirectly; and
- (d) whether any conflict of interests thereby arising has been or is to be resolved or mitigated and if so, how it has been or is proposed to be resolved or mitigated.

Employees

16. Provide either —

- (a) the average number of employees of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group for each of the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, and the reason for any change in the average number of such employees, if material; or
- (b) the number of employees of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group as at the end of each of the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, and the reason for any change in the number of such employees, if material,

and disclose information regarding the relationship between management and labour unions. If the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the group employs a significant number of temporary employees, disclose the average number of temporary employees in respect of the most recent completed financial year.

Capital

17. If there are shares or equity interests in the relevant entity not representing capital, state the number and main characteristics of such shares or equity interests.

18. Where there is, in respect of the relevant entity, an undertaking to increase the capital, state —

- (a) the amount of such capital increase and, where appropriate, the duration of the undertaking;
- (b) the categories of persons having preferential subscription rights for such additional portions of capital; and
- (c) the terms, arrangements and procedures for the issue of shares or equity interests corresponding to such portions.

18A. Indicate the number and amount of securities, securities-based derivatives contracts or equity interests in the relevant entity held by or on behalf of the relevant entity itself or by its subsidiary or subsidiary entity.

18B. Provide the description, number and amount of any securities, securities-based derivatives contracts or equity interests in the relevant entity which any person has, or has the right to be given, an option to subscribe for or purchase, together with the following particulars of the option:

- (a) the period during which the option is exercisable;
- (b) the exercise price;
- (c) the consideration, if any, given or to be given for the option or for the right to the option; and
- (d) the identity of the person to whom the option or the right to it was given.

18C. If the option or right referred to in paragraph 27C of this Part was given to all existing holders of —

- (a) the shares or equity interests in; or
- (b) the debentures of,

the relevant entity on a pro-rata basis or to employees under an employees' share option or investment scheme, it will be sufficient to state that fact without identifying each holder or employee.

Constituent Documents of Relevant Entity

19. Provide a summary of the material provisions of the relevant entity's constituent documents and bylaws with respect to —

- (a) the rights, preferences and restrictions attaching to each class of shares or equity interests;
- (b) any change in capital;

- (c) any change in the respective rights of the various classes of shares or equity interests, including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law; and
- (d) any time limit after which a dividend or distribution entitlement will lapse and an indication of the party in whose favour this entitlement then operates.

20. Provide a summary of the provisions of the relevant entity's constituent documents and bylaws with respect to —

- (a) the power of a director or an equivalent person to vote on a proposal, an arrangement or a contract in which he is interested;
- (b) the power of a director or an equivalent person to vote on remuneration (including pension or other benefits) for himself or for any other director or equivalent person, and whether the quorum at a meeting of the board of directors or equivalent persons to vote on the remuneration of the directors or equivalent persons may include the director or equivalent person whose remuneration is the subject of the vote; and
- (c) the retirement or non-retirement of a director or an equivalent person under an age limit requirement.

Information on Entity of Underlying Securities, Securities-based derivatives contracts or Property

21. Where the convertible debentures are issued by an entity other than the entity the securities, securities-based derivatives contracts, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase, the requirements in paragraphs 4 to 20 of this Part shall apply only to the second-mentioned entity. In addition, provide the information required under Parts II, V, VI, VII, VIII and X of this Schedule in respect of the second-mentioned entity. Where applicable, provide the date and source of such information.

ELEVENTH SCHEDULE

Regulation 8(3)(a)

PARTICULARS TO BE INCLUDED UNDER SECTION 240A READ WITH SECTION 243 (1) OF THE ACT IN A PROSPECTUS FOR EVERY OFFER OF DEBENTURES OR UNITS OF DEBENTURES (OTHER THAN ASSET-BACKED SECURITIES OR STRUCTURED NOTES) UNDER A DEBENTURE ISSUANCE PROGRAMME, WHERE AN APPLICATION HAS BEEN OR WILL BE MADE TO AN SECURITIES APPROVED EXCHANGE TO LIST FOR QUOTATION OR QUOTE THE DEBENTURES OR UNITS OF DEBENTURES ON THE SECURITIES APPROVED EXCHANGE

(73) Explanatory Note: The proposed amendments are consequential amendments to the proposed amendments to the Seventh Schedule.

1. The base prospectus referred to in section 240A (1) (a) of the Act applicable to every offer of debentures or units of debentures, as the case may be, under a debenture issuance programme referred to in regulation 8(3)(a) must contain all the information in the Seventh Schedule, subject to the following additions and exceptions:

- (a) the base prospectus for the debenture issuance programme must contain the following additional information:
 - (i) the maximum amount of debentures or units of debentures, as the case may be, to be offered under the programme;
 - (ii) the terms and conditions applicable to all offers under the programme;
 - (iii) the duration of the programme;
 - (iv) a statement that the documents required by paragraphs 15 and 16 of Part X of the Seventh Schedule are available for inspection throughout the duration of the programme; and
 - (v) a statement that the base prospectus, as well as any supplementary base prospectus in respect of the programme issued since the base prospectus was published, are available for inspection for as long as offers are made under the programme;
- (b) if the base prospectus does not contain any information referred to in —
 - (i) paragraph 6 of Part II of the Seventh Schedule;

- (ii) paragraphs 1 to 5 and 7 of Part III of the Seventh Schedule;
 - (iii) paragraph 1(a) to (e) of Part IV of the Seventh Schedule;
 - (iv) paragraphs 2 ~~and to~~ 3 and 9A of Part IV of the Seventh Schedule, being information relating to an offer to be made under the debenture issuance programme; or
 - (v) paragraphs 1 to 7 of Part IX of the Seventh Schedule, it must contain a prominent statement that such information shall be published from time to time by way of a pricing statement in relation to each offer under the programme; and
- (c) the reference to 6 months after the date of registration of the prospectus in paragraph 1(e) of Part I of the Seventh Schedule shall be read as a reference to 24 months after that date.

2. If the base prospectus does not contain any of the information referred to in paragraph 1(b) of this Schedule, the pricing statement for each offer under the debenture issuance programme must contain that information as well as the following statements:

- (a) “This offer is made on the basis of information contained in this statement as well as in the base prospectus and supplementary base prospectus or prospectuses, if any, in respect of the programme.”;
- (b) “Copies of the base prospectus and supplementary base prospectus or prospectuses, if any, and this statement are available for collection at the times and places specified in this statement.”; ~~and~~

(c) “A copy of this statement has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”) together with the base prospectus. The Authority assumes no responsibility for the contents of this statement. Registration of this statement together with the base prospectus with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the debentures or units of debentures, as the case may be, being offered as an investment.”; ~~and~~

~~(c)~~(d) “As with all investment products, you should consider whether this is a suitable investment for yourself given your investment objectives and risk appetite. You are responsible for your own investment choices.”.

3. The contents of the pricing statement for each offer under the debenture issuance programme, when read together with the base prospectus and any

supplementary base prospectus, must contain the material terms and conditions of the offer to which it relates.

4. The pricing statement for any offer under the debenture issuance programme must not contain any information other than —

- (a) information specified in paragraphs 1(b) and 2 of this Schedule;
- (b) information already contained in the base prospectus or any supplementary base prospectus;
- (c) an elaboration of information on the use of proceeds contained in the base prospectus or any supplementary base prospectus; and
- (d) other information permitted by the Authority which is specific and relevant only to that particular offer.

TWELFTH SCHEDULE

Regulation 8(3)(b)

PARTICULARS TO BE INCLUDED UNDER SECTION 240A READ WITH SECTION 243(1) OF THE ACT IN A PROSPECTUS FOR EVERY OFFER OF ASSET-BACKED SECURITIES UNDER A DEBENTURE ISSUANCE PROGRAMME

(74) Explanatory Note: The proposed amendments are consequential amendments to the proposed amendments to the Ninth Schedule.

1. The base prospectus referred to in section 240A(1) (a) of the Act applicable to every offer of debentures or units of debentures, as the case may be, under a debenture issuance programme referred to in regulation 8(3)(b), being debentures or units of debentures which are asset-backed securities (referred to in this Schedule as the asset-backed securities), must contain all the information in the Eighth Schedule, subject to the following additions and exceptions:

- (a) the base prospectus for the debenture issuance programme must contain the following additional information:
 - (i) the maximum amount of asset-backed securities to be offered under the programme;
 - (ii) the terms and conditions applicable to all offers under the programme;
 - (iii) the duration of the programme;
 - (iv) a statement that the documents required by paragraphs 8 and 8A of Part X of the Eighth Schedule are available for inspection throughout the duration of the programme; and
 - (v) a statement that the base prospectus, as well as any supplementary base prospectus in respect of the programme issued since the base prospectus was published, are available for inspection for as long as offers are made under the programme;
- (b) if the base prospectus does not contain any information referred to in —
 - (i) paragraph 1(g) of Part I of the Eighth Schedule;
 - (ii) paragraph 7 of Part II of the Eighth Schedule;
 - (iii) paragraph 1 of Part III of the Eighth Schedule;
 - (iv) paragraphs 1 to 5, 7, ~~and 8~~ and 8A of Part IV of the Eighth Schedule;

- (v) paragraphs 3(a) to (d) and 10 to 10B of Part V of the Eighth Schedule;
- (vi) paragraphs 2 to 5, 8, 9 and 10 of Part VI of the Eighth Schedule; or
- (vii) paragraphs 1 to 6 of Part IX of the Eighth Schedule, it must contain a prominent statement that such information shall be published from time to time by way of a pricing statement in relation to each offer under the programme;
- (c) the reference to 6 months after the date of registration of the prospectus in paragraph 1(h) of Part I of the Eighth Schedule shall be read as a reference to 24 months after that date.

2. If the base prospectus does not contain any of the information referred to in paragraph 1(b) of this Schedule, the pricing statement for each offer under the debenture issuance programme must contain that information as well as the following statements:

- (a) “This offer is made on the basis of information contained in this statement as well as in the base prospectus and supplementary base prospectus or prospectuses, if any, in respect of the programme.”;
- (b) “Copies of the base prospectus and supplementary base prospectus or prospectuses, if any, and this statement are available for collection at the times and places specified in this statement.”;
- (c) “A copy of this statement has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”) together with the base prospectus. The Authority assumes no responsibility for the contents of this statement. Registration of this statement together with the base prospectus with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the asset-backed securities being offered as an investment.”;

(ca) “As with all investment products, you should consider whether this is a suitable investment for yourself given your investment objectives and risk appetite. You are responsible for your own investment choices.”; and

- (d) a statement by the directors or equivalent persons of the sponsor that they individually and collectively accept full responsibility for the accuracy of the information given in the pricing statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in the pricing statement are fair and accurate in all material respects as at the date of the pricing statement and

that there are no material facts the omission of which would make any statement in the pricing statement misleading.

3. The contents of the pricing statement for each offer under the debenture issuance programme, when read together with the base prospectus and any supplementary base prospectus, must contain the material terms and conditions of the offer to which it relates.

4. The pricing statement for any offer under the debenture issuance programme must not contain any information other than —

- (a) information specified in paragraphs 1(b) and 2 of this Schedule;
- (b) information already contained in the base prospectus or any supplementary base prospectus; and
- (c) information on additional risk factors and investment considerations that are specific and relevant only to that particular offer of asset-backed securities, which had materially affected, or could materially affect, directly or indirectly, the value of the relevant assets or the investments held by holders of the asset-backed securities; and (d) other information permitted by the Authority.

THIRTEENTH SCHEDULE

Regulation 8(3)(c)

PARTICULARS TO BE INCLUDED UNDER SECTION 240A READ WITH SECTION 243(1) OF THE ACT IN A PROSPECTUS FOR EVERY OFFER OF STRUCTURED NOTES (OTHER THAN CONTINUOUSLY ISSUED STRUCTURED NOTES) UNDER A DEBENTURE ISSUANCE PROGRAMME

(75) Explanatory Note: The proposed amendments are consequential amendments to the proposed amendments to the Ninth Schedule.

1. The base prospectus referred to in section 240A(1)(a) of the Act applicable to every offer of debentures or units of debentures, as the case may be, under a debenture issuance programme referred to in regulation 8(3)(c), being debentures or units of debentures which are structured notes other than continuously issued structured notes (referred to in this Schedule as the structured notes), must contain all the information in the Ninth Schedule, subject to the following additions and exceptions:

- (a) the base prospectus for the debenture issuance programme must contain the following additional information:
 - (i) the maximum amount of structured notes to be offered under the programme;
 - (ii) the terms and conditions applicable to all offers under the programme;
 - (iii) the duration of the programme;
 - (iv) a statement that the documents required by paragraphs 5 and 5A of Part IX of the Ninth Schedule and, where applicable, paragraph 1(d) of Part X of the Ninth Schedule, are available for inspection throughout the duration of the programme; and
 - (v) a statement that the base prospectus, as well as any supplementary base prospectus in respect of the programme issued since the base prospectus was published, are available for inspection for as long as offers are made under the programme;
- (b) if the base prospectus does not contain any information referred to in —
 - (i) paragraph 1(e) of Part I of the Ninth Schedule;
 - (ii) paragraphs 3 and 4 of Part II of the Ninth Schedule;

- (iii) paragraph 1 of Part III of the Ninth Schedule and, where applicable, paragraph 5 of Part X of the Ninth Schedule;
 - (iv) paragraphs 1 to 5 and 7 of Part IV of the Ninth Schedule;
 - (v) paragraphs 3(a) to (d) and 4 to 7B of Part V of the Ninth Schedule;
 - (vi) paragraphs 2 to 5 and 7 of Part VI of the Ninth Schedule and, where applicable, paragraphs 14 to 17 of Part X of the Ninth Schedule; or
 - (vii) paragraphs 1 to 6 of Part VIII of the Ninth Schedule, it must contain a prominent statement that such information shall be published from time to time by way of a pricing statement in relation to each offer under the programme;
- (c) the reference to 6 months after the date of registration of the prospectus in paragraph 1(g) of Part I of the Ninth Schedule shall be read as a reference to 24 months after that date.

2. If the base prospectus does not contain any of the information referred to in paragraph 1(b) of this Schedule, the pricing statement for each offer under the debenture issuance programme must contain that information as well as the following statements:

- (a) "This offer is made on the basis of information contained in this statement as well as in the base prospectus and supplementary base prospectus or prospectuses, if any, in respect of the programme.";
- (b) "Copies of the base prospectus and supplementary base prospectus or prospectuses, if any, and this statement are available for collection at the times and places specified in this statement.";
- (c) "A copy of this statement has been lodged with and registered by the Monetary Authority of Singapore (the "Authority") together with the base prospectus. The Authority assumes no responsibility for the contents of this statement. Registration of this statement together with the base prospectus with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the structured notes being offered as an investment.";
- (ca) "As with all investment products, you should consider whether this is a suitable investment for yourself given your investment objectives and risk appetite. You are responsible for your own investment choices."; and
- (e)(d) where the structured notes are issued pursuant to a synthetic securitisation transaction, a statement by the directors or equivalent persons

of the sponsor that they individually and collectively accept full responsibility for the accuracy of the information given in the pricing statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in the pricing statement are fair and accurate in all material respects as at the date of the pricing statement and that there are no material facts the omission of which would make any statement in the pricing statement misleading.

3. The contents of the pricing statement for each offer under the debenture issuance programme, when read together with the base prospectus and any supplementary base prospectus, must contain the material terms and conditions of the offer to which it relates.

4. The pricing statement for any offer under the debenture issuance programme must not contain any information other than —

- (a) information specified in paragraphs 1(b) and 2 of this Schedule;
- (b) information already contained in the base prospectus or any supplementary base prospectus;
- (c) information on additional risk factors and investment considerations that are specific and relevant only to that particular offer of structured notes, which had materially affected, or could materially affect, directly or indirectly, the value of the pool of reference assets or the investments held by holders of the structured notes; and
- (d) other information permitted by the Authority.

FOURTEENTH SCHEDULE

Regulations 8(3)(d) and 25(2)(e)(i)

PARTICULARS TO BE INCLUDED UNDER SECTION 240A READ WITH SECTION 243(1) OF THE ACT IN A PROSPECTUS FOR EVERY OFFER OF CONTINUOUSLY ISSUED STRUCTURED NOTES UNDER A DEBENTURE ISSUANCE PROGRAMME

(76) Explanatory Note: The proposed amendments are consequential amendments to the proposed amendments to the Ninth Schedule.

1. The base prospectus referred to in section 240A(1)(a) of the Act applicable to every offer of debentures or units of debentures, as the case may be, under a debenture issuance programme referred to in regulation 8(3)(d), being debentures or units of debentures which are continuously issued structured notes, must contain all the information in the Ninth Schedule, subject to the following additions and exceptions:

- (a) the base prospectus for the debenture issuance programme must contain the following additional information:
 - (i) a statement that the documents required by paragraphs 5 and 5A of Part IX of the Ninth Schedule and, where applicable, paragraph 1(d) of Part X of the Ninth Schedule, are available for inspection throughout the duration of the programme; and
 - (ii) a statement that the base prospectus, as well as any supplementary base prospectus in respect of the programme issued since the base prospectus was published, are available for inspection for as long as offers are made under the programme;
- (b) subject to sub-paragraph (c), the base prospectus may omit all or any of the information referred to in —
 - (i) paragraph 1(e) of Part I of the Ninth Schedule;
 - (ii) paragraphs 3 and 4 of Part II of the Ninth Schedule;
 - (iii) paragraph 1 of Part III of the Ninth Schedule;
 - (iv) paragraphs 1 to 5 and 7 of Part IV of the Ninth Schedule;
 - (v) paragraphs 3(a) to (d) and 4 to 7B of Part V of the Ninth Schedule;
 - (vi) paragraphs 2 to 5 and 7 of Part VI of the Ninth Schedule; and
 - (vii) paragraphs 1 to 6 of Part VIII of the Ninth Schedule;

- (c) if the base prospectus does not contain any of the information referred to in paragraph 1(b) of this Schedule, the base prospectus must contain the following additional statements on its front cover:
- (i) “The investment terms applicable to each offer will be set out in a transaction note to be issued by (insert the name of the specified financial institution making the offer) to each investor prior to the transaction.”; and
 - (ii) “A confirmation statement confirming the investment terms upon which the offer has been accepted will be sent by (insert the name of the specified financial institution making the offer) to each person who has subscribed for or purchased the continuously issued structured notes within 3 business days from the date of such subscription or purchase.”; and
- (d) the reference to 6 months after the date of registration of the prospectus in paragraph 1(g) of Part I of the Ninth Schedule shall be read as a reference to 24 months after that date.

FIFTEENTH SCHEDULE

Regulation 8(3)(e)

PARTICULARS TO BE INCLUDED UNDER SECTION 240A READ WITH SECTION 243(1) OF THE ACT IN A PROSPECTUS FOR EVERY OFFER OF DEBENTURES OR UNITS OF DEBENTURES UNDER A DEBENTURE ISSUANCE PROGRAMME IN A CASE REFERRED TO IN REGULATION 8(3)(e)

(77) Explanatory Note: The proposed amendments are consequential amendments to the proposed amendments to the Tenth Schedule.

1. The base prospectus referred to in section 240A(1)(a) of the Act applicable to every offer of debentures or units of debentures, as the case may be, under a debenture issuance programme referred to in regulation 8(3)(e) must contain all the information in the Tenth Schedule, subject to the following additions and exceptions:

- (a) the base prospectus for the debenture issuance programme must contain the following additional information:
 - (i) the maximum amount of debentures or units of debentures, as the case may be, to be offered under the programme;
 - (ii) the terms and conditions applicable to all offers under the programme;
 - (iii) the duration of the programme;
 - (iv) a statement that the documents required by paragraphs 14 and 15 of Part X of the Tenth Schedule are available for inspection throughout the duration of the programme; and
 - (v) a statement that the base prospectus, as well as any supplementary base prospectus in respect of the programme issued since the base prospectus was published, are available for inspection for as long as offers are made under the programme;
- (b) if the base prospectus does not contain any information referred to in —
 - (i) paragraph 6 of Part II of the Tenth Schedule;
 - (ii) paragraphs 1 to 5 and 7 of Part III of the Tenth Schedule;
 - (iii) paragraph 1(a) to (e) of Part IV of the Tenth Schedule;

- (iv) paragraph 2 to 2B and 8A of Part IV of the Tenth Schedule, being information relating to an offer to be made under the debenture issuance programme; or
 - (v) paragraphs 1 to 7 of Part IX of the Tenth Schedule, it must contain a prominent statement that such information shall be published from time to time by way of a pricing statement in relation to each offer under the programme; and
- (c) the reference to 6 months after the date of registration of the prospectus in paragraph 1(d) of Part I of the Tenth Schedule shall be read as a reference to 24 months after that date.
2. If the base prospectus does not contain any of the information referred to in paragraph 1(b) of this Schedule, the pricing statement for each offer under the debenture issuance programme must contain that information as well as the following statements:
- (a) "This offer is made on the basis of information contained in this statement as well as in the base prospectus and supplementary base prospectus or prospectuses, if any, in respect of the programme.";
 - (b) "Copies of the base prospectus and supplementary base prospectus or prospectuses, if any, and this statement are available for collection at the times and places specified in this statement."; ~~and~~
 - (c) "A copy of this statement has been lodged with and registered by the Monetary Authority of Singapore (the "Authority") together with the base prospectus. The Authority assumes no responsibility for the contents of this statement. Registration of this statement together with the base prospectus with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the debentures or units of debentures, as the case may be, being offered as an investment." ~~;~~
and
 - (e)(d) "As with all investment products, you should consider whether this is a suitable investment for yourself given your investment objectives and risk appetite. You are responsible for your own investment choices."
3. The contents of the pricing statement for each offer under the debenture issuance programme, when read together with the base prospectus and any supplementary base prospectus, must contain the material terms and conditions of the offer to which it relates.

4. The pricing statement for any offer under the debenture issuance programme must not contain any information other than —

- (a) information specified in paragraphs 1(b) and 2 of this Schedule;
- (b) information already contained in the base prospectus or any supplementary base prospectus;
- (c) an elaboration of information on the use of proceeds contained in the base prospectus or any supplementary base prospectus; and
- (d) other information permitted by the Authority which is specific and relevant only to that particular offer.

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SIXTEENTH SCHEDULE

Regulation 30(1)

PARTICULARS TO BE INCLUDED IN AN OFFER INFORMATION STATEMENT UNDER SECTION 277 OF THE ACT

[S 470/2012 wef 01/10/2012]

(78) Explanatory Note: The proposed amendments to the Sixteenth Schedule are mainly to replicate the amendments to the other schedules, where appropriate. The amendments will also be replicated to the Securities and Futures (Offers of Investments) (Shares and Debentures) (Exemption from Subdivisions (2) and (3) of Division 1 of Part XIII for REIT Bonds) Regulations 2011 where appropriate.

PART I

FRONT COVER

1. On the front cover of the offer information statement, provide —

(a) the date of lodgment of the offer information statement; (b) the following statements:

(i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.”; ~~and~~

(ii) “A copy of this offer information statement has been lodged with the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the offer information statement. Lodgment of the offer information statement with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the securities or securities-based derivatives contracts being offered for investment.”; and

(iii) “As with all investment products, you should consider whether this is a suitable investment for yourself given your investment objectives and risk appetite. You are responsible for your own investment choices.”;

- (c) the name of the entity (referred to in this Schedule as the relevant entity) in respect of which the securities or securities-based derivatives contracts are being offered, its place of incorporation or constitution and the date of incorporation or constitution;
- (d) a statement to the effect that an application has been or will be made to a securitiesapproved exchange to list for quotation or quote the securities or securities-based derivatives contracts being offered on that securitiesapproved exchange, and the name of such securitiesapproved exchange; and
- (e) a statement that no securities or securities-based derivatives contracts shall be allotted or allocated on the basis of the offer information statement later than 6 months after the date of lodgment of the offer information statement.

PART II

IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

Advisers

2. Provide the names and addresses of —
 - (a) the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) to the offer, if any;
 - (b) the underwriter to the offer, if any; and
 - (c) the legal adviser for or in relation to the offer, if any.

Registrars and Agents

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities or securities-based derivatives contracts being offered, where applicable.

PART III

OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of the securities or securities-based derivatives contracts being offered.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to —

(a) the offer procedure; and

(b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.

4. State the method and time limit for paying up for the securities or securities-based derivatives contracts and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

5. State, where applicable, the methods of and time limits for —

(a) the delivery of the documents evidencing title to the securities or securities-based derivatives contracts being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and

(b) the book-entry transfers of the securities or securities-based derivatives contracts being offered in favour of subscribers or purchasers.

6. In the case of any pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

7. Provide a full description of the manner in which results of the allotment or allocation of the securities or securities-based derivatives contracts are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

PART IV
KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.

3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities or securities-based derivatives contracts.

4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

5. If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset, ~~business or entity other than in the ordinary course of business~~, briefly describe the asset, ~~business or entity~~ and state its purchase price. Provide information on the status of the acquisition as well as the estimated completion date. Where funds have already been expended for the acquisition, state the amount which has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount which has been paid by the relevant entity or any other entity in the group. If the asset, ~~business or entity~~ has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined as well as whether the acquisition is on an arm's length basis.

6. ~~If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.~~

7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.

Information on the Relevant Entity

9. Provide the following information:

- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);
- (b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;
- (c) the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since —
 - (i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or
 - (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;
- (d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing —
 - (i) in the case of the equity capital, the issued capital; or
 - (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;
- (e) where —

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or
 - (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;
- (f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;
- (g) where any securities, securities-based derivatives contracts or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date —
 - (i) if the securities, securities-based derivatives contracts or equity interests have been issued for cash, state the prices at which the securities or securities-based derivatives contracts have been issued and the number of securities, securities-based derivatives contracts or equity interests issued at each price; or
 - (ii) if the securities, securities-based derivatives contracts or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities, securities-based derivatives contracts or equity interests; and
- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

PART V

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from —

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:

- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
- (b) earnings or loss per share; and
- (c) earnings or loss per share, after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.

2A. Notwithstanding paragraph 1 of this Part, where —

- (a) unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recent completed financial year; and
- (b) the audited financial statements for that year are unavailable,

the data referred to in paragraph 1 of this Part in respect of the most recent completed financial year may be provided from such unaudited financial statements, if the directors or equivalent persons of the relevant entity include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recent completed financial year.

(79) Explanatory Note: New paragraph 2A is proposed to clarify that where the issuer has announced unaudited financial statements for the most recent completed financial year, the financial data to be provided in the offer information statement under paragraph 1 may comprise such unaudited data for the most recent completed financial year and audited data for the earlier two financial years (i.e. a total of three years), provided that the unaudited financial statements are not significantly different from the audited financial statements. For the avoidance of doubt, where such a confirmation could not be provided, the offer information statement would need to include the unaudited financial data for the most recent completed financial year as well as audited financial data for the three most recent completed financial years in respect of which audited financial statements have been published.

3. In respect of —

- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

Financial Position

4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of —

- (a) the most recent completed financial year for which audited financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period.

5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:

- (a) number of shares after any adjustment to reflect the sale of new securities or securities-based derivatives contracts;
- (b) net assets or liabilities per share; and
- (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —

- (a) the most recent completed financial year for which financial statements have been published; and
- (b) if interim financial statements have been published for any subsequent period, that period.

7. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for at least the next 12 months ~~present requirements~~ and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgment of the prospectus shall not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an explicit condition of the offer that minimum net proceeds are to be raised and that the application monies will be returned to investors if the minimum net proceeds are not raised.

8. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the relevant entity, provide —

- (a) a statement of that fact;
- (b) details of the credit arrangement or bank loan; and

- (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).

Trend Information and Profit Forecast or Profit Estimate

9. Discuss ~~—, for at least the current financial year,~~

(a) the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, for the next 12 months from the latest practicable date; and, as well as

(a)(b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.

10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.

11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.

13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part —

- (a) a statement by the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) to the offer, or any other person whose profession or reputation gives authority to the statement made by him,

- (i) that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
 - (ii) to the effect that, on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.
14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part —
- (a) a statement by the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
 - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Significant Changes

15. Disclose any event that has occurred from the end of —
- (a) the most recent completed financial year for which financial statements have been published; or

- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Meaning of “published”

16. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.

PART VI

THE OFFER AND LISTING

Offer and Listing Details

1. Indicate the price at which the securities or securities-based derivatives contracts are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, state the method by which the offer price is to be determined ~~must be explained~~ and explain how the final offer price will be made known to investors.

2. If there is no established market for the securities or securities-based derivatives contracts being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

3. If —

- (a) any of the relevant entity’s shareholders or equity interest-holders have preemptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered; and
- (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

4. If securities or securities-based derivatives contracts of the same class as those securities or securities-based derivatives contracts being offered are listed for quotation on any securitiesapproved exchange —

(a) in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the securitiesapproved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts —

(i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and

(ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or

(b) in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the securitiesapproved exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts —

(i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and

(ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;

(c) disclose any significant trading suspension that has occurred on the securitiesapproved exchange during the 3 years immediately preceding the latest practicable date or, if the securities or securities-based derivatives contracts have been listed for quotation for less than 3 years, during the period from the date on which the securities or securities-based derivatives contracts were first listed to the latest practicable date; and

(d) disclose information on any lack of liquidity, if the securities or securities-based derivatives contracts are not regularly traded on the securitiesapproved exchange.

5. Where the securities or securities-based derivatives contracts being offered are not identical to the securities or securities-based derivatives contracts already issued by the relevant entity, provide —

(a) a statement of the rights, preferences and restrictions attached to the securities or securities-based derivatives contracts being offered; and

- (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities or securities-based derivatives contracts, to rank in priority to or pari passu with the securities or securities-based derivatives contracts being offered.

Plan of Distribution

6. Indicate the amount, and outline briefly the plan of distribution, of the securities or securities-based derivatives contracts that are to be offered otherwise than through underwriters. If the securities or securities-based derivatives contracts are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

7. Provide a summary of the features of the underwriting relationship together with the amount of securities or securities-based derivatives contracts being underwritten by each underwriter.

PART VII

ADDITIONAL INFORMATION

Statements by Experts

1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.

2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert —

- (a) state the date on which the statement was made;
- (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and
- (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.

3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.

Consents from Issue Managers and Underwriters

4. Where a person is named in the offer information statement as the issue manager (whether referred to as an issue manager, a lead manager, an arranger or otherwise) or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.

Other Matters

5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly —

- (a) the relevant entity's business operations or financial position or results; or
- (b) investments by holders of securities or securities-based derivatives contracts in the relevant entity.

Documents for Inspection

6. Provide a statement that for a period of at least 6 months from the date of lodgment of the offer information statement, the following documents (or copies thereof), where applicable, may be inspected at a specified place in Singapore:

- (a) the constituent documents of the relevant entity;
- (b) every material contract referred to in the offer information statement or, where the contract is not reduced into writing, a memorandum giving full particulars thereof; and
- (c) every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the offer information statement.

(80) Explanatory Note: The proposed new paragraph 6 is to require a statement that certain documents (or copies thereof) are made available for inspection by any person at a specified place in Singapore for at least 6 months from the date of lodgment of the offer information statement.

PART VIII

ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES

Guarantor Entity, Advisers and Agents

1. Provide the names and addresses of —
~~(a) the arranger of the offer, if any; and~~
~~(b) the each~~ paying agent of the relevant entity.
2. In the case of a guaranteed debenture issue, provide —
 - (a) the name and address of the guarantor entity; and
 - (b) the names and addresses of each of the directors or equivalent persons of the guarantor entity.

3. Provide the name and address of the trustee, fiscal agent or any other representative for the debenture holders, and the main terms of the document governing such trusteeship or representation, including provisions concerning the functions, rights and obligations of the trustee, fiscal agent or representative. Disclose any conditions precedent or other requirements that are to be satisfied before the trustee, fiscal agent or representative will —

- (a) enforce a lien against the property of the relevant entity;
- (b) act on behalf of the debenture holders; or
- (c) take any action at the request of the debenture holders.

3A. If, in the reasonable opinion of the directors or equivalent persons, the trustee, fiscal agent or representative has a material relationship with the relevant entity which could cause a conflict to arise between its interest as a trustee, fiscal agent or representative for the debenture holders and its other interests, describe the nature and terms of such relationship and explain why the directors or equivalent persons of the relevant entity still consider its appointment to be appropriate.

Offer Statistics

- ~~3. State —~~
- ~~(a) the amount of subscriptions that are being sought and, where applicable, the fact that the subscriptions may be reduced;~~
 - ~~(b) the nature, denomination and, where applicable, number of the debentures or units of debentures, as the case may be, being offered;~~
 - ~~(c) where the debentures or units of debentures, as the case may be, are offered at a discount or premium, the face value of the debentures or units of debentures being offered and the discount or premium; and~~

~~(d) the currency of the issue and, if the issue is payable in any currency other than the currency of the issue, this fact.~~

4. State —

(a) in relation to the amount of subscriptions that are being sought –

(i) where the amount is fixed at the date of the lodgment of the offer information statement —

(A) the amount of the subscriptions that are being sought;

(B) the fact that the final amount of subscriptions that are being sought will not be increased; and

(C) where applicable, the fact that the final amount of subscriptions that are being sought may be reduced and –

(AA) that the relevant entity will inform investors of the final amount of subscriptions that are being sought and will provide investors with an explanation of the circumstances relating to the reduction in the final amount of subscriptions; and

(BB) how and when such information referred to in subparagraph (AA) will be made known to investors; or

(ii) where the amount is not fixed at the date of lodgment of the offer information statement —

(A) the fact that the amount of subscriptions that are being sought has not been fixed;

(B) the maximum amount of subscriptions being sought;

(C) the process by which the final amount of subscriptions is to be determined; and

(D) how and when the final amount of subscriptions will be made known to investors;

(b) the nature and denomination of the debentures or units of debentures, as the case may be, being offered;

(c) in relation to the number of debentures or units of debentures being offered
—

(i) where the number of debentures or units of debentures is fixed at the date of lodgment of the offer information statement —

(A) the number of the debentures or units of the debentures, as the case may be, being offered;

(B) the fact that the final number of the debentures or units of the debentures, as the case may be, being offered will not be increased; and

(C) where applicable, the fact that the final number of the debentures or units of the debentures, as the case may be, being offered may be reduced and —

(AA) that the relevant entity will inform investors of the final number of the debentures or units of the debentures, as the case may be, being offered and will provide investors with an explanation of the circumstances relating to the reduction in the final number of the debentures or units of the debentures, as the case may be, being offered; and

(BB) how and when such information referred to in subparagraph (AA) will be made known to investors; or

(ii) where the number of debentures or units of debentures being offered is not fixed at the date of lodgment of the offer information statement —

(A) the fact that the number of debentures or units of debentures, as the case may be, being offered has not been fixed;

(B) the maximum number of debentures or units of debentures, as the case may be, being offered;

(C) the process by which the final number of debentures or units of debentures, as the case may be, is to be determined; and

(D) how and when the final number of debentures or units of debentures, as the case may be, will be made known to investors;

(d) where the debentures or units of debentures, as the case may be, are offered at a discount or premium, the face value of the debentures or units of debentures being offered and the discount or premium; and

(e) the currency of the issue and, if the issue is payable in any currency other than the currency of the issue, this fact.

(81) Explanatory Note: The amendments to paragraph 4 are proposed to provide for the disclosure to be made when the amount of subscriptions and/or number of debentures or units of debentures are not fixed at the date of lodgment.

Principal Terms and Conditions

5. Provide the following information on the debentures or units of debentures, as the case may be, being offered:

(a) in the case –

(i) where the yield is fixed at the date of the lodgment of the offer information statement, the yield and a summary of the method by which that yield is calculated; or

(ii) where the yield is not fixed at the date of the lodgment of the offer information statement —

(A) the process by which the yield is to be determined;

(B) how and when the final yield will be made known to investors; and

(C) a statement that subscriptions from investors (other than institutional investors, relevant persons as defined in section 275(2) of the Act or persons who intend to subscribe for the debentures or units of debentures, as the case may be, at a consideration of \$200,000 or more) will be accepted only after the final yield is made known to investors;

(aa) in the case –

(i) where the nominal interest rate is set at the date of the lodgment of the offer information statement, the nominal interest rate and —

(A) if the nominal interest rate is a floating rate, how the rate is calculated; and

- (B) if several or variable interest rates are provided for, the conditions for changes in the rate; or
- (ii) where the nominal interest rate is not set at the date of lodgment of the offer information statement —
- (A) the process by which the nominal interest rate is to be set;
- (B) how and when the final nominal interest rate will be made known to investors; and
- (C) a statement that subscriptions from investors (other than institutional investors, relevant persons as defined in section 275(2) of the Act or persons who intend to subscribe for the debentures or units of debentures, as the case may be, at a consideration of \$200,000 or more) will be accepted only after the nominal interest rate is made known to investors;
- (aa)(ab) the issue and redemption prices;
- the yield, a summary of the method by which that yield is calculated, the issue and redemption prices, the nominal interest rate and —
- (i) if the nominal interest rate is a floating rate, how the rate is calculated; or
- if several or variable interest rates are provided for, the conditions for changes in the rate;

(82) Explanatory Note: The amendments to paragraph 5(a) and proposed new subparagraph (aa) are proposed to provide for the disclosure to be made when the yield of the debentures or units of debentures are not fixed and when the nominal interest rate is not set at the date of lodgment. Proposed new subparagraph (ab) is to require the disclosure of the issue and redemption prices.

- (b) the date from which interest accrues and the interest payment dates;
- (c) the procedures for, and validity period of, claims to payment of interest and repayment of the principal sum;
- (ca) if the principal sum of, or the interest on, the debentures or units of debentures, as the case may be, is payable in any currency other than the

currency of the issue, state this fact. Where payments may be payable in 2 or more currencies, indicate —

(i) the person or persons who have the power to determine the currency or currencies in which payment is to be made and the applicable currency exchange rates, and

(ii) the basis on which both determinations in (i) will be made.

- (d) the final repayment date and any early repayment dates, specifying whether exercisable at the option of the relevant entity or of the holder of the debentures or units of debentures;
- (e) details of the arrangements for the amortisation or early redemption of the debentures or units of debentures, as the case may be, including procedures to be adopted;
- (f) a description of any subordination or seniority of the issue to other debts of the relevant entity already incurred or to be incurred. If the rights of the holders of the debentures or units of debentures, as the case may be, will be subordinated to other security holders or creditors, state the aggregate amount of outstanding indebtedness that ranks in priority to the debentures or units of debentures being offered as of the latest practicable date. If there is no limitation on the creation of additional indebtedness that ranks in priority to the debentures or units of debentures being offered, state such fact;
- (g) the rights conferred upon the holders of the debentures or units of debentures, as the case may be, including rights in respect of interest and redemption, and whether these rights may be materially limited or qualified by the rights of any other class of security holders or creditors;
- (h) the particulars of any security, including provisions relating to the release or substitution of such security, if applicable, and where the security is in the form of a fixed asset, any requirement for the maintenance of such asset;
- (i) the particulars of any significant covenant, including those concerning subsequent issues of other forms or series of debentures or units of debentures;
- (j) where applicable, a statement as to whether or not the relevant entity has any right to create additional charges over any of the assets subject to a charge to secure the repayment of the debentures or units of debentures, as the case may be, which will rank in priority to or *pari passu* with the second-mentioned charge and, if there is such a right, particulars of its nature and extent;

- (k) the nature and scope of any guarantee, surety or commitment intended to ensure that the issue will be duly serviced with regard to both the principal sum of and the interest on the debentures or units of debentures, as the case may be, and the material terms and conditions of such guarantee, surety or commitment, including any conditions for the application of such guarantee, surety or commitment and any conditions to which the application of such guarantee, surety or commitment are subject;
- (l) any legislation under which the debentures or units of debentures, as the case may be, have been created, and the governing law and the competent courts in the event of litigation;
- (m) definition of events constituting defaults and the remedies available in the event of default, including the effect of a default upon acceleration of maturity of the debentures or units of debentures, as the case may be, as well as information on when holders of the debentures or units of debentures would be able to take action to enforce their claims; and
- (ma) the procedures in place and actions to be taken by the relevant entity, guarantor entity, trustee, fiscal agent or any other representative for the debenture holders (as the case may be) in the event of a default or potential event of default, including –
 - (i) in relation to the procedures that will be taken in the event of default or potential event of default, the communication plans with debenture holders and whether any meeting of debenture holders will be convened by the relevant entity, guarantor entity, trustee, fiscal agent or other representative for the debenture holders;
 - (ii) whether the trustee, fiscal agent or any other representative for the debenture holders is bound to take steps to ascertain whether there is an event of default or potential event of default; and
 - (iii) the conditions which must be fulfilled in order for the trustee to take any action on behalf of debenture holders or at the request of debenture holders, including any threshold of approval or instruction by debenture holders and any pre-funding or indemnification requirement;
- (n) provisions setting out how the for modifications of terms and conditions of the debentures or units of debentures, as the case may be, or the rights of the holders of the debentures or units of debentures, may be modified; and-
- (o) the consequences of any failure to make payments which does not constitute an event of default and the remedies available under the terms of

the debentures or units of debentures, as the case may be, or the applicable law.

Credit Rating

6. If the relevant entity, its guarantor entity or the debentures or units of debentures being offered have been given a credit rating by a credit rating agency, disclose —

- (a) the name of the credit rating agency;
- (b) the credit rating (including whether it is a short-term or long-term credit rating);
- (c) whether ~~any fee or benefit of any kind has been paid by or not~~ the relevant entity, its guarantor entity or any of their related parties ~~had paid any fee or benefit of any kind~~ to the credit rating agency in consideration for the credit rating assessment; and
- (d) the date on which the credit rating was given.

6A. If a credit rating is disclosed under paragraph 6, provide the following information —

- (a) a statement on whether the credit rating is current as of the date of lodgment of the offer information statement;
- (b) a statement that the credit rating is not a recommendation to invest in the debentures or units of debentures, as the case may be, and investors should perform their own evaluation as to whether the investment is appropriate;
- (c) a statement that the credit rating may be subject to revision or withdrawal at any time;
- (d) a statement that the credit rating is only a statement of opinion;
- (e) a statement stating the specific source or sources where the following information can be obtained —
 - (i) the rating methodology used by the credit rating agency;
 - (ii) the relative ranking of the credit rating;
 - (iii) an explanation of the meaning and limitations of the credit rating; and
 - (iv) if the credit rating is a “preliminary”, “provisional” or “expected” rating, the status of that designation and its implications on the relevant entity or the debentures or units of

debentures being offered or, in the case of a guaranteed debenture issue, its implications on the relevant entity, its guarantor entity or the debentures or units of debentures being offered;

(f) if the credit rating is a “preliminary”, “provisional” or “expected” rating, a statement undertaking to announce the final rating when it is available; and

(g) if the credit rating is below that of BBB by Fitch Ratings, Baa by Moody’s Investors Service or BBB by Standard and Poor’s Ratings Services, provide the following statement:

“This rating is a non-investment grade credit rating.”

6B. If the relevant entity, its guarantor entity, and the debentures or units of debentures (as the case may be) being offered have not been given a credit rating by a credit rating agency, state this fact and provide a statement to the effect that not having a credit rating means that an independent assessment by a credit rating agency of the default risk of the relevant entity, its guarantor entity, and the debentures or units of debentures (as the case may be) being offered has not been made.

Secured Debentures

7. Provide, in relation to an offer of secured debentures or certificates of debenture stock, a summary by the auditors of the relevant entity showing, in tabular form —

- (a) the aggregate value of the tangible assets owned by the relevant entity;
- (b) the aggregate value of the tangible assets owned by each, or jointly owned by two or more, of its guarantor entities; and
- (c) the aggregate value of the tangible assets jointly owned by the relevant entity and one or more of its guarantor entities,

which have been charged to secure the repayment of all or any moneys payable in respect of the secured debentures or certificates of debenture stock, including an explanation of any adjustment made for the purpose of providing a true and fair view of those assets.

8. Show also, in the summary —

- (a) the amounts outstanding of the aggregate amounts borrowed by the relevant entity and by each of its guarantor entities, distinguishing between those amounts outstanding which will rank for repayment in priority to the amount under the proposed issue and those amounts outstanding which will rank for repayment *pari passu* with the amount under the proposed issue;

- (b) where any charge is for a liability the amount of which may vary from time to time, the actual amount of the liability as at the date on which the summary is made and any further amount which may be advanced under that charge; and
- (c) the aggregate amount of advances by the relevant entity to related corporations or related entities of the relevant entity, distinguishing between advances which are secured and advances which are unsecured.

9. The auditors of the relevant entity may explain or qualify, by way of notes or otherwise, any of the matters set out in the summary.

10. Where the tangible assets referred to in paragraph 7 of this Part are in the form of property, provide information on a report of the valuation of the interest of the relevant entity and each of its guarantor entities in each property charged, showing the nature and extent of the interest of the relevant entity and of each of its guarantor entities, such report to be made not more than 6 months before the date of lodgment of the offer information statement by an independent qualified valuer.

Offer Details

11. Where the debentures or units of debentures, as the case may be, are offered at a discount or premium, state the discount or premium and the method for determining such discount or premium.

12. Indicate whether the debentures or units of debentures, as the case may be, being offered are in registered or bearer form.

Documents for Inspection

14.13. Provide a statement that the trust deed, fiscal agency agreement or other document constituting the debentures or units of debentures as the case may be (or a copy thereof) and in the case of a guaranteed debenture issue, the guarantee and other related documents (or a copy thereof), may be inspected by any person at a specified place in Singapore from the date of lodgment of the offer information statement and for as long as any debentures or units of debentures, as the case may be, remain outstanding.

(83) Explanatory Note: The proposed new paragraph 13 is to clarify that the trust deed, fiscal agency agreement or other document constituting the debentures or units of debentures and in the case of a guaranteed issue, the guarantee and related documents, should be made available for inspection by any person from the date of lodgment of the offer

information statement and for as long as any debentures or units of debentures remain outstanding.

PART IX

ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Information on Convertible Debentures

1. Provide information concerning the nature of the securities, securities-based derivatives contracts, equity interests or property offered by way of conversion, exchange, subscription or purchase and the rights attached thereto including, in particular, the voting rights, entitlement to share in profits and, in the event of liquidation, any surplus and any other special rights.
2. Provide information on the terms, conditions and procedures for conversion, exchange, subscription or purchase and details of the circumstances under which they may be amended, including the following information:
 - (a) the total number or value of securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase;
 - (b) the period during which the conversion, exchange, subscription or purchase right may be exercised and the date on which this right commences;
 - (c) the amount payable on the exercise of the conversion, exchange, subscription or purchase right;
 - (d) any arrangement for the transfer or transmission of the conversion, exchange, subscription or purchase right;
 - (e) the rights of the holders of the debentures or units of debentures in respect of the conversion, exchange, subscription or purchase right on the liquidation of the entity the securities, securities-based derivatives contracts, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase;
 - (f) any arrangement for the variation in the subscription price of the securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, or in the exercise price of the convertible debentures, or in the number or value of securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or

purchase, in the event of any alteration in the capital of the entity the securities, securities-based derivatives contracts, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase; and

- (g) if there is no established market for the securities, securities-based derivatives contracts, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, the manner of determining the subscription or exercise or conversion price, including who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

PART X

ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BY WAY OF RIGHTS ISSUE

1. Provide —

- (a) the particulars of the rights issue;
- (b) the last day and time for splitting of the provisional allotment of the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;
- (c) the last day and time for acceptance of and payment for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;
- (d) the last day and time for renunciation of and payment by the renouncee for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;
- (e) the terms and conditions of the offer of securities or securities-based derivatives contracts to be issued pursuant to the rights issue;
- (f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and
- (g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.

SEVENTEENTH SCHEDULE

~~[Deleted by S 186/2013 wef 02/04/2013]~~

Regulation ~~68(2AA)~~

PARTICULARS TO BE INCLUDED UNDER SECTION ~~282F243~~(1) OF THE ACT IN A PROSPECTUS FOR AN OFFER OF UNITS OR DERIVATIVES OF UNITS IN A BUSINESS TRUST

(84) Explanatory Note: The Fourth and Fifth Schedules of the Securities and Futures (Offer of Investments) (Business Trusts) (No. 2) Regulations 2005 have been incorporated under these regulations as the Seventeenth and Eighteenth Schedules. The proposed amendments to the Seventeenth Schedule are mainly to replicate the amendments to the Fifth Schedule, where appropriate.

PART I FRONT COVER

1. On the front cover of the prospectus, provide —

(a) the date of registration of the prospectus or, in the case of a supplementary prospectus or replacement prospectus, the date of lodgment of the supplementary prospectus or replacement prospectus;

(b) the following statements:

(i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.”; ~~and~~

~~(ii)~~ (ii) “A copy of this prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the prospectus. Registration of the prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the units or derivatives of units, as the case may be, being offered for investment.”; ~~and~~

~~(iii)~~ (iii) “As with all investment products, you should consider whether this is a suitable investment for yourself given your investment objectives and risk appetite. You are responsible for your own investment choices.”;

- (c) the name of the business trust (referred to in this Schedule as the relevant business trust) in respect of which the units or derivatives of units, as the case may be, are being offered, and its country of constitution;
- (d) the name of the trustee-manager of the relevant business trust;
- (e) where applicable, a statement to the effect that an application has been or will be made to an securitiesapproved exchange to list for quotation or quote the units or derivatives of units, as the case may be, being offered on that securitiesapproved exchange, and the name of such securitiesapproved exchange; and
- (f) a statement that no units or derivatives of units, as the case may be, shall be allotted or allocated on the basis of the prospectus later than 6 months after the date of registration of the prospectus by the Authority.

PART II

IDENTITY OF DIRECTORS, KEY EXECUTIVES, ADVISERS AND AGENTS

Directors and Key Executives

1. Provide the names, addresses and occupations of each of the directors and key executives of the trustee-manager of the relevant business trust.

Company Secretary

2. Provide the name and professional qualifications of the company secretary of the trustee-manager of the relevant business trust.

Advisers

3. Provide the names and addresses of —
 - (a) the principal banker or bankers of the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust);
 - (b) the issue manager to the offer;
 - (c) the underwriter to the offer, if any; ~~and~~
 - (d) the legal adviser for or in relation to the offer:-
 - (e) the consultant engaged by the trustee-manager of the relevant business trust on behalf of the relevant business trust, if any, to assist in —

- (i) any group restructuring exercise to be undertaken by the relevant business trust in conjunction with the offer and its application to list for quotation on the approved exchange; or
- (ii) the issue of securities or securities-based derivatives contracts to investors during the period of 12 months prior to the date of lodgment of the prospectus for the purposes of facilitating the offer and its application to list for quotation on the approved exchange.

Auditors

4. Provide the names, addresses and professional qualifications (including any membership in a professional body) of the auditors of the relevant business trust for the 3 most recent completed financial years. If applicable, provide also the name, address and professional qualifications (including any membership in a professional body) of any other auditor engaged by the trustee-manager of the relevant business trust on behalf of the relevant business trust in relation to the requirements under Parts VI and X of this Schedule.

5. In a case where 2 or more persons are engaged by the relevant business trust to jointly audit or prepare financial information for the relevant business trust, all of these persons shall be treated as auditors for the purposes of the requirements under Parts VI and X of this Schedule if at least one of these persons satisfies the definition of auditor in section 2(1) of the Act.

Registrars and Agents

6. Provide the names and addresses of the registrars, transfer agents and receiving bankers of the relevant business trust for the units or derivatives of units, as the case may be, being offered.

PART III OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the offer price and the number of units or derivatives of units, as the case may be, being offered; but if the price or size has not been fixed at the time of registration of the prospectus by the Authority, state

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- (a) the range of prices or range of numbers of units or derivatives of units, as the case may be, within which the units or derivatives of units are being offered; or

(b) both the range of prices and range of numbers of units or derivatives of units, as the case may be.

1A. State the market capitalisation of the relevant business trust (or the range of market capitalisation, if the offer price or size is not fixed at the time of registration of the prospectus by the Authority) at the time the units or derivatives of units, as the case may be, will be listed for quotation or quoted on the approved exchange.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to —

(a) the offer procedure; and

(b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of the registration of the prospectus by the Authority, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.

3A. Where the offer price or size is not fixed at the time of registration of the prospectus by the Authority and only the range of prices or range of numbers of units or derivatives of units, or both, as the case may be, has been provided, state
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(a) the method by which the offer price, or number of units or derivatives of units, as the case may be, is to be determined; and

(b) how the final offer price or size will be made known to investors.

4. State the method and time limit for paying up for the units or derivatives of units, as the case may be, being offered and where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

5. State, where applicable, the methods of and time limits for —

(a) the delivery of the documents evidencing title to the units or derivatives of units, as the case may be, being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and

(b) the book-entry transfers of the units or derivatives of units, as the case may be, being offered in favour of subscribers or purchasers.

6. In the case of pre-emptive rights to subscribe for or purchase the units or derivatives of units, as the case may be, being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

7. Provide a full description of the manner in which results of the allotment or allocation of the units or derivatives of units, as the case may be, being offered are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

PART IV KEY INFORMATION

Selected Financial Data

1. Provide, in the same currency as the financial statements to be provided under Part X of this Schedule —

(a) selected audited profit and loss data or, where audited financial statements have been restated under paragraph 8(b)(i) of Part X of this Schedule, selected restated profit and loss data of the relevant business trust or, if the relevant business trust is part of a group, the group containing at least the information specified in paragraph 3 of this Part in respect of the financial years for which annual financial statements have been included in the prospectus;

(b) if interim financial statements have been included in the prospectus, selected profit and loss data containing at least the information specified in paragraph 3 of this Part in respect of the interim period and, where annual financial statements in respect of the previous financial year have been included in the prospectus, comparative profit and loss data in respect of the corresponding interim period of the previous financial year; and

(c) selected balance sheet data containing at least the information specified in paragraph 4 of this Part, as at the end of —

(i) the most recent completed financial year for which annual financial statements have been included in the prospectus; or

(ii) if interim financial statements for any subsequent period have been included in the prospectus, that period.

2. If the selected profit and loss data or the selected balance sheet data for any interim period is not audited, that fact shall be stated.

3. For the selected profit and loss data, the specific line items presented must be expressed in the same manner as the corresponding line items in the audited or interim financial statements, as the case may be. Such data must include items generally corresponding to the following:

- (a) net sales or revenue;
- (b) profit or loss before tax;
- (c) net profit or loss after tax;
- (ca) net profit or loss after tax attributable to equity holders of the company;
- (cb) net profit or loss after tax attributable to non-controlling interests;
- (d) earnings or loss per unit; and
- (e) earnings or loss per unit, after any adjustment to reflect the sale of new units or derivatives of units.

Per unit amounts to be included must be determined in accordance with the body of accounting principles used in preparing the financial statements.

4. For the selected balance sheet data, the specific line items presented must be expressed in the same manner as the corresponding line items in the audited or interim financial statements, as the case may be. Such data must include items generally corresponding to the following:

- (a) total assets;
- (b) total liabilities;
- (c) net assets or liabilities; and
- (d) unitholders' equity.

5. Where the financial statements of the relevant business trust are prepared in a currency other than the Singapore currency, provide —

- (a) the exchange rate between that foreign currency and the Singapore currency as at the latest practicable date;
- (b) the highest and lowest exchange rates between that foreign currency and the Singapore currency for each month during the previous 6 months; and
- (c) for the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, the average exchange rates for each period, calculated by using the average of the exchange rates between that foreign currency and the Singapore currency on the last day of each month during the period.

Unitholders' Equity and Indebtedness

6. Provide a statement of unitholders' equity and indebtedness (including the amount of cash and cash equivalents) as of a date no earlier than 60 days prior to the date of lodgment of the prospectus, showing the unitholders' equity in the relevant business trust and the indebtedness (distinguishing between guaranteed and non-guaranteed, and secured and unsecured, indebtedness) of —

- (a) the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust); or
- (b) if the relevant business trust is part of a group, the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) and the group,

as the case may be, and if applicable, adjusted to reflect the sale of new units or derivatives of units, as the case may be, being issued and the intended application of the net proceeds therefrom. For the purposes of this paragraph, indebtedness includes indirect and contingent indebtedness. Disclose any other significant contingent liabilities and the nature of such liabilities.

Use of Proceeds from Offer and Expenses Incurred

7. In the same section, provide the information set out in paragraphs 8 to 13 of this Part.

8. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 9 of this Part as the net proceeds). Where only a part of the net proceeds will go to the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust), indicate the amount of the net proceeds that will be raised by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust). If none of the proceeds will go to the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust), provide a statement of that fact.

9. Disclose how the net proceeds raised by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum

amount which, in the reasonable opinion of the directors of the trustee-manager of the relevant business trust, must be raised by the offer of units or derivatives of units, as the case may be.

10. For each dollar of the proceeds from the offer that will be raised by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust), state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

11. If any material part of the proceeds to be raised by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) will be used, directly or indirectly, to acquire or refinance the acquisition of an asset, business or entity ~~other than in the ordinary course of business~~, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition as well as the estimated completion date. Where funds have already been expended for the acquisition, state the amount which has been paid by the trustee-manager, or a subsidiary or subsidiary entity, of the relevant business trust. If the asset, business or entity has been or will be acquired from an interested person of the relevant business trust, identify the interested person and state how the cost to the relevant business trust is or will be determined as well as whether the acquisition is on an arm's length basis.

12. ~~If any of the proceeds to be raised by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.~~

13. If any material part of the proceeds to be raised by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) will be used to discharge, reduce or retire —

- (a) the indebtedness of the trustee-manager of the relevant business trust arising from its acting on behalf of the relevant business trust; or
- (b) if the relevant business trust is part of a group, the indebtedness of the trustee-manager of the relevant business trust arising from its acting on behalf of the relevant business trust and the indebtedness of the group,

describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

14. In the section containing the information referred to in paragraphs 8 to 13 of this Part or in an adjoining section —

- (a) disclose the amount of discount or commission per unit or per derivative of unit, as the case may be, agreed upon between the underwriter or other placement or selling agent in relation to the offer and —
 - (i) the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust); or
 - (ii) the holder of units or derivatives of units in the relevant business trust, selling such units or derivatives of units;
- (b) provide a reasonably itemised statement of the major expenses incurred in connection with the offer and the issue and distribution of the units or derivatives of units, as the case may be, being offered (in absolute terms and as a percentage of the total amount of the offer) that are payable by, or on behalf of, the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust);
- (c) ~~where any of the units or derivatives of units, as the case may be, are being offered by a holder of such units or derivatives of units, provide information on the expenses to be paid by, or on behalf of, such holder;~~
- (d) if any expenses are to be paid by a person on behalf of —
 - the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust); ~~or~~
 - ~~the holder of units or derivatives of units in the relevant business trust, selling such units or derivatives of units,~~ identify the person;
 - and
- (e) indicate the amount of any expense specifically charged to the subscriber or purchaser of the units or derivatives of units, as the case may be, being offered.

The information may be given subject to future contingencies. Where the amount of any item is not known, estimates (identified as such) shall be given.

Risk Factors

15. Disclose, in a specific section with the heading “Risk Factors”, the risk factors that are specific to the relevant business trust, its business and the industry of its business as well as the units or derivatives of units, as the case may be, being offered, which had materially affected or could materially affect, directly or indirectly, the financial position and results and business operations relating to the trust property of the relevant business trust which is managed and operated by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust), and the investments by holders of units or

derivatives of units, as the case may be, in the relevant business trust. Such risk factors may include those relating to the following:

- (a) the nature of the business which the relevant business trust, or a group to which the relevant business trust belongs, is engaged in or proposes to engage in;
- (b) the countries in which the relevant business trust, or a group to which the relevant business trust belongs, operates;
- (c) the jurisdiction in which the relevant business trust is constituted (including the extent to which unitholders' interests are protected under the law of that jurisdiction);
- (d) the financial and liquidity positions of the relevant business trust;
- (e) the absence of any operating track record or profitable operations;
- (f) the level of compliance by the relevant business trust with government regulations;
- (g) the possible absence of a liquid trading market for the relevant business trust's units;
- (h) the extent of reliance on the expertise of management;
- (i) the potential dilution in the net asset value per share to new investors;
- (j) unusual competitive conditions;
- (k) impending expiration of material patents, trademarks or contracts;
- (l) foreign currency exposures; and
- (m) dependence on a limited number of customers or suppliers.

Where possible and appropriate, the extent to which the relevant business trust's financial position or results, or both, as the case may be, had been, or could potentially be, impacted by the risk factor in question should be stated.

PART V

INFORMATION ON THE RELEVANT BUSINESS TRUST

History of the Relevant Business Trust

1. Provide the following information:
 - (a) the date of constitution of the relevant business trust and, where the constituent documents of the relevant business trust provide that the relevant business trust is to be wound up at a specified time, in specified

circumstances or on the happening of a specified event, such specified time, circumstances or event;

- (b) a statement that notwithstanding the time, circumstances or event specified, the winding up of the relevant business trust would still be subject to the approval by a majority of the number of votes of unitholders at a general meeting;
- (c) the legal form of the relevant business trust and the legislation under which it operates;
- (d) the length of time for which the business of the relevant business trust or, if the relevant business trust is part of a group, of the group has been carried on and the important events in the development of the business;
- (e) a description, including the amount invested, of —
 - (i) each material expenditure on and divestment of capital investment (including any interest in an entity or another business trust) by the trustee-manager of the relevant business trust acting on behalf of the relevant business trust; or
 - (ii) if the relevant business trust is part of a group —
 - (A) each material expenditure on and divestment of capital investment (including any interest in an entity or another business trust) by the group; and
 - (B) each material expenditure on and divestment of capital investment (including any interest in an entity or another business trust) by the trustee-manager of the relevant business trust acting on behalf of the relevant business trust,

between the beginning of the period comprising the 3 most recent completed financial years and the latest practicable date;

- (f) a description of —
 - (i) each material expenditure on and divestment of capital investment by the trustee-manager of the relevant business trust acting on behalf of the relevant business trust; or
 - (ii) if the relevant business trust is part of a group —
 - (A) each material expenditure on and divestment of capital investment by the group; and

- (B) each material expenditure on and divestment of capital investment by the trustee-manager of the relevant business trust acting on behalf of the relevant business trust,

which is in progress, including the geographical location of the investment and the method of financing; and

- (g) any public take-over offer, by a third party in respect of the units in the relevant business trust or by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) in respect of the shares of a corporation or the units of another business trust, which has occurred between the beginning of the most recent completed financial year and the latest practicable date, including the price or exchange terms attaching to such offer and the outcome thereof.

Business Overview

2. Provide the following information in respect of the relevant business trust and its business:

- (a) the nature of the operations and principal activities, the main categories of products sold and services performed for each of the 3 most recent completed financial years, any significant new product or service introduced between the beginning of the period comprising the 3 most recent completed financial years and the latest practicable date and, to the extent that the development of the new product or service has been publicly disclosed, the status of such development;
- (b) the principal markets in which the business of the relevant business trust is carried out, including a breakdown of total revenue by category of activity and geographic market, for each of the 3 most recent completed financial years;
- (c) whether the main business of the relevant business trust is seasonal in nature and, if so, details of such seasonal nature (including the material effects on its production, sales, inventory, costs and revenues);
- (d) ~~the marketing activities~~;
- (e) whether the business or profitability of the relevant business trust or the profitability of its business is materially dependent on any patent or licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process; and
- (f) any material effect of government regulations on the business, identifying the regulatory body.

3. In paragraph 2 of this Part, a reference to the relevant business trust shall, if the relevant business trust is part of a group, be a reference to the group.

3A. Where the relevant business trust has made any statement regarding its position vis-à-vis its competitors, disclose the basis for such statement.

Organisational Structure

4. If the relevant business trust has a holding company or holding entity, briefly describe the group of which that holding company or holding entity is the holding company or holding entity, as the case may be, and the position of the relevant business trust within that group. If the trustee-manager of the relevant business trust (acting on behalf of the relevant business trust) is the holding company of a group, provide information on every subsidiary, subsidiary entity, associated company and associated entity of the relevant business trust, being a subsidiary, a subsidiary entity, an associated company or an associated entity, as the case may be, the absolute amount of the net assets, net liabilities or profit or loss before tax of which accounts for 10% or more of the absolute amount of the net assets, net liabilities or profit or loss before tax, respectively, of the group for any of the 3 most recent completed financial years. Such information shall include the name, country of incorporation or constitution, principal place of business, principal activities, proportion of ownership interest held as part of the trust property of the relevant business trust by the trustee-manager on behalf of the relevant business trust and, if different, proportion of voting power held by the trustee-manager acting on behalf of the relevant business trust.

Fixed Assets

5. Provide information regarding any material tangible fixed asset held as part of the trust property of the relevant business trust by the trustee-manager, including any leased property and any major encumbrances thereon. The information provided must include —

(a) in the case of property, a description of ~~the size and use of~~ the property; (including the size, tenure and use of the property) and —

(i) where the property will be acquired or is beneficially owned by the relevant business trust and the relevant business trust has not obtained legal title to the property at the date of registration of the prospectus by the Authority, a statement of such fact, the reasons why legal title has not been obtained, the potential consequential impact on the relevant business trust's operations and, if applicable, the expected date by which the legal title will be transferred to the relevant business trust; or

~~(i)~~(ii) _____ where the property is leased by the relevant business trust, the identity of the lessor, the duration of the lease, the rent payable and if the lease may be unilaterally terminated by the lessor, a statement of such fact and the potential consequential impact on the relevant business trust's operations;

~~(a)~~(b) _____ in the case of a production facility, the productive capacity and extent of utilisation of the facility for each of the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, or if the productive capacity or extent of utilisation for any of those financial years cannot be determined or is not meaningful, an explanation why;

~~(b)~~(c) _____ how the fixed asset is held;

~~(c)~~(d) _____ the products produced; and

~~(d)~~(e) _____ the location.

6. Describe any regulatory requirements or environmental issues that may ~~materially~~ affect the utilisation of a material tangible fixed asset held as part of the trust property of the relevant business trust by the trustee-manager. With regard to any material plan to construct, expand or improve a facility, describe the nature of and reason for the plan, and give an estimate of the amount of expenditure, including the amount already expended. In addition, disclose the method of financing the plan, the estimated dates of commencement and completion of the plan, and any anticipated increase in production capacity after completion.

7. In paragraphs 5 and 6 of this Part, a reference to the relevant business trust shall, if the relevant business trust is part of a group, be a reference to the group.

PART VI

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

1. Information required under this Part shall be provided in respect of the relevant business trust or, if the relevant business trust is part of a group, of the group.

Operating Results

2. In respect of each of the 2 most recent completed financial years for which audited financial statements have been included in the prospectus and any interim period for which interim financial statements have been included in the prospectus, provide a narrative of the extent to which any material change in net sales or revenue, as compared to the previous financial year or previous corresponding interim period, is attributable to a change in the price or volume of products being sold or services being performed or to the introduction of a new product or service as compared to

the previous corresponding period. Where the change in price or volume of products sold or services performed is due to any particular reason or factor, provide details of such reason or factor.

3. In respect of each financial year for which audited financial statements have been included in the prospectus and any interim period for which interim financial statements have been included in the prospectus, provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant business trust, and indicate the extent to which such profit or loss was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

4. If the impact of foreign currency fluctuations is material, state such impact and the extent to which foreign currency exposure and investment is hedged by currency borrowings or other hedging instruments.

Liquidity and Capital Resources

5. Provide the following information regarding liquidity (both short and long term):

(a) a description of the material sources of liquidity, whether internal or external, and a brief discussion of any material unused sources of liquidity, as of the latest practicable date, including a statement by the directors of the trustee-manager of the relevant business trust as to whether, in their reasonable opinion, the working capital available to —

- (i) the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust); or
- (ii) if the relevant business trust is part of a group, the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the business trust) and the group,

as at the date of lodgment of the prospectus is sufficient for ~~present requirements~~at least the next 12 months and, if insufficient, how the additional working capital considered by the directors to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgment of the prospectus shall not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an explicit condition of the offer that minimum net proceeds are to be raised and that the application monies will be returned to investors if the minimum net proceeds are not raised;

- (b) an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —
 - (i) each financial year for which audited cash flow statements have been included in the prospectus; and
 - (ii) if an interim cash flow statement has been included in the prospectus, the period covered by the interim cash flow statement;
 - (c) the nature and extent of any legal, financial or economic restriction on the ability of a subsidiary or subsidiary entity of the relevant business trust to transfer funds to the relevant business trust in the form of cash dividends, loans or advances, and the impact such restrictions have had or are expected to have on the ability of the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) to meet the cash obligations of the relevant business trust;
 - (d) the level of borrowings as at the end of the most recent completed financial year or, if any interim financial statements have been included, the period covered by the interim financial statements, the extent to which the borrowings are at a fixed rate, and the maturity profile of the borrowings and committed borrowings facility, with a description of any restriction on its use; and
 - (e) if the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or any entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the financial position and results or business operations of the relevant business trust, or the investments by holders of units or derivatives of units in the relevant business trust —
 - (i) a statement of that fact;
 - (ii) details of the credit arrangement or bank loan; and
 - (iii) any action taken or to be taken by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).
6. Provide information on the use of any financial instrument for hedging purposes, including the nature of exposure, the type of financial instrument used, the hedging policy adopted and the control procedures put in place to ensure that the hedging policy is adhered to.

7. Provide information on any material commitment for capital expenditures as of the latest practicable date and indicate the general purpose of such commitment and the anticipated source of funds needed to fulfil such commitment.

7A. Where the amount of trade receivables is material, provide information on the credit policy adopted by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust), the circumstances under which credit terms may be extended, the average collection period for each of the 3 most recent completed financial years and, if any interim financial statements have been included in the prospectus, the interim period, and any significant exposure to doubtful trade receivables for each of the 3 most recent completed financial years and, if any interim financial statements have been included in the prospectus, the interim period. If the amount of trade receivables as at the end of the most recent completed financial year or, if interim financial statements have been included, as at the end of the interim period, was significant, state the amount which has been collected as of the latest practicable date.

Research and Development

8. Where research and development activities are material to the relevant business trust's business, provide a description of the material—research and development policies of the trustee-manager of the relevant business trust in respect of the operations of the relevant business trust for the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, including the amount spent on research and development activities and the percentage of the net sales or revenue of the relevant business trust in each of those years and the interim period spent on such activities.

Trend Information and Profit Forecast or Profit Estimate

9. Discuss —, for at least the current financial year,
- (a) the business and financial prospects for the next 12 months from the latest practicable date; and
 - (b) any significant recent trends in production, sales and inventory, and in the costs and selling prices of products and services since the end of the most recent completed financial year or, if any interim financial statements have been included, the period covered by the interim financial statements; and, as well as
 - (c) any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that would cause financial information disclosed in the prospectus

to be not necessarily indicative of the future operating results or financial condition of the relevant business trust.

If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.

10. Discuss the state of the order book since the end of the most recent period for which annual or interim financial statements have been provided under Part X of this Schedule. Where such information is not relevant to the business of the relevant business trust, provide an appropriate statement to that effect and the reason for this.

11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.

12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors of the trustee-manager of the relevant business trust have based their profit forecast or profit estimate, as the case may be.

13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant business trust as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 12 of this Part, is consistent with the accounting policies adopted for the relevant business trust, and is presented in accordance with the accounting standards adopted for the relevant business trust in the preparation of its financial statements.

14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant business trust, provide in addition to the statement referred to in paragraph 13 of this Part —

(a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him—;

(i) that the profit forecast has been stated by the directors of the trustee-manager of the relevant business trust after due and careful enquiry and consideration; or

(+)(ii) to the effect that, on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part, no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

(b) a statement by an auditor of the relevant business trust, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards

on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant business trust, provide in addition to the statement referred to in paragraph 13 of this Part —

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant business trust, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

PART VII

INFORMATION ON THE TRUSTEE-MANAGER OF THE RELEVANT BUSINESS TRUST

History of the Trustee-Manager of the Relevant Business Trust

1. Provide the following information:
 - (a) the date and country of incorporation of the trustee-manager of the relevant business trust; and
 - (b) the address and telephone and facsimile numbers of —
 - (i) the registered office of the trustee-manager of the relevant business trust; and
 - (ii) the principal place of business of the trustee-manager of the relevant business trust (if different from those of its registered office).

Key Policies and Practices

2. Provide a description of —

- (a) the measures to ensure adherence with the business scope of the registered business trust as set out in the prospectus; and
- (b) the controls to review expense and cost allocations payable out of the trust property of the relevant business trust to the trustee-manager of the relevant business trust for acting in its capacity as trustee-manager of the relevant business trust.

Directors and Key Executives

3. Provide the following information with respect to each of the directors and key executives of the trustee-manager of the relevant business trust and any employee of the group, such as a scientist, researcher or designer, upon whose work the relevant business trust is dependent:

- (a) name, details of past working experience, educational and professional qualifications, if any, and areas of expertise or responsibility in the trustee-manager of the relevant business trust or, if the relevant business trust is part of a group, in the group or the trustee-manager of the relevant business trust;
- (b) each principal business activity performed outside the management and operation of the relevant business trust or, if the relevant business trust is part of a group, the group and each principal directorship held at present or in the last 5 years other than in the trustee-manager of the relevant business trust;
- (c) age;
- (d) the nature of any family relationship —
 - (i) between any of the persons named above; or
 - (ii) between any of the persons named above and —
 - (A) any substantial shareholder of the trustee-manager of the relevant business trust; or
 - (B) any substantial unitholder of the relevant business trust;
- (e) any arrangement or understanding with a substantial shareholder of the trustee-manager of the relevant business trust, substantial unitholder of the relevant business trust, customer or supplier of the trustee-manager of the relevant business trust acting on behalf of the relevant business trust or other person, pursuant to which any person referred to above was selected as a director or key executive of the trustee-manager of the relevant business trust.

Management Reporting Structure

4. Provide the management reporting structure of the trustee-manager of the relevant business trust.

Compensation for Services

5. Disclose, in bands of up to \$250,000 —

- (a) the amount of compensation paid by the trustee-manager, or a subsidiary or subsidiary entity, of the relevant business trust for each of the 2 most recent completed financial years; and
- (b) the estimated amount of compensation paid and to be paid by the trustee-manager, or a subsidiary or subsidiary entity, of the relevant business trust for the whole of the current financial year,

to —

- (i) each director of the trustee-manager of the relevant business trust;
- ~~(ii)~~ the chief executive officer of the trustee-manager of the relevant business trust; and
- ~~(iii)~~ (iii) each of the top 5 (in terms of amount of compensation) key executives (not being the chief executive officer or directors) of the trustee-manager of the relevant business trust or, if the relevant business trust is part of a group, of the group and the trustee-manager of the relevant business trust,

for services rendered by such a person in all capacities to the relevant business trust or its related corporation or related entity.

6. For the purpose of paragraph 5 of this Part —

- (a) compensation includes any benefit in kind; and
- (b) compensation that has already been paid includes any deferred compensation accrued for the financial year in question and payable at a later date.

7. For the purposes of paragraph 5(b) of this Part, any estimated amount of compensation that is to be paid pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement, but which has not yet been paid, may be excluded from the calculation of the estimated amount of compensation in respect of the whole of the current financial year, provided that that fact is stated.

8. If any portion of the compensation was paid or is to be paid pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement,

identify the person to whom such compensation was or is to be paid and briefly describe such plan, agreement or arrangement and the basis of such person's participation in the plan, agreement or arrangement. For persons who are not directors or controlling shareholders of the trustee-manager of the relevant business trust, and not controlling unitholders of the relevant business trust, disclosure of their bonus or profit-sharing plan or any other profit-linked agreement or arrangement need not be provided on an individual basis if —

(a) the total amount paid or which is to be paid pursuant to any such plan, agreement or arrangement to such persons, on an individual basis, had not accounted or would not account for more than 1% of the profit before tax of the relevant business trust or, where the relevant business trust is part of a group, of the group, in any financial year; and

(b) the maximum aggregate amount that was paid or is to be paid to such persons under such plans, agreements or arrangements in each financial year is disclosed.

9. If any portion of the compensation was paid or is to be paid in the form of options, identify the persons to whom such compensation was or is to be paid and provide the description and number of units covered by the options, the exercise price, the option purchase price (if any), the period during which the options are exercisable and the expiration date of the options.

10. State the total amounts set aside or accrued by the trustee-manager, or a subsidiary or subsidiary entity, of the relevant business trust to provide pension, retirement or similar benefits, if any.

11. Provide details of any existing or proposed service contract entered or to be entered into by the directors of the trustee-manager of the relevant business trust with the trustee-manager, or a subsidiary or subsidiary entity, of the relevant business trust which provide for benefits upon termination of employment, or an appropriate negative statement.

12. For a service contract referred to in paragraph 11 of this Part with a fixed term, state the term of each such contract, the unexpired term and the name of the relevant director of the trustee-manager of the relevant business trust.

12A. Disclose, in incremental bands of up to \$50,000 each, the amount of compensation paid by the trustee-manager, or a subsidiary or subsidiary entity, of the relevant business trust for each of the 2 most recent completed financial years to each employee who is an immediate family member of a director or chief executive officer of the trustee-manager of the relevant business trust. If such information cannot be provided, explain why.

Board Practices

13. With respect to each of the directors of the trustee-manager of the relevant business trust, state the date of expiration of the current term of office, if applicable, and the period for which the person has served in that office.

14. In respect of the current financial year, provide details relating to the audit committee, remuneration committee and nomination committee, if any, of the trustee-manager of the relevant business trust, including the names of committee members and a summary of the terms of reference under which each committee operates.

Employees

15. Provide either —

(a) the average number of employees of the trustee-manager of the relevant business trust or, if the relevant business trust is part of a group, of the group and the trustee-manager for each of the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, and the reason for any change in the average number of such employees, if material; or

(b) the number of employees of the trustee-manager of the relevant business trust or, if the relevant business trust is part of a group, of the group and the trustee-manager as at the end of each of the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, and the reason for any change in the number of such employees, if material,

and, if possible, a breakdown of persons employed by activity and geographic location. Disclose information regarding the relationship between management and labour unions. If the trustee-manager of the relevant business trust employs, or, if the relevant business trust is part of a group, the group and the trustee-manager together employ, a significant number of temporary employees, disclose the average number of temporary employees in respect of the most recent completed financial year.

Constituent Documents of the Trustee-Manager

16. Provide a summary of the provisions of the constituent documents of the trustee-manager of the relevant business trust with respect to —

(a) the power of a director of the trustee-manager to vote on a proposal, arrangement or contract in which he is interested;

- (b) the borrowing powers exercisable by the trustee-manager (acting in its capacity as trustee-manager of the relevant business trust) and how such borrowing powers may be varied;
- (c) the retirement or non-retirement of a director of the trustee-manager under an age limit requirement; and
- (d) the number of units in the business trust, if any, required for the qualification of a director of the trustee-manager.

Fees and Charges

17. Set out the fees and charges payable to the trustee-manager of the relevant business trust from the trust property of the relevant business trust in a table, in the following order, and where there is a provision for a maximum fee or charge payable, state that maximum:

- (a) management fee;
- (b) performance fee (if applicable);
- (c) guarantee fee (if applicable); and
- (d) any other fee or charge amounting to 0.1% or more of the value of the trust property of the relevant business trust.

Where a fee or charge is expected to amount to 0.1% or more of the value of the trust property of the relevant business trust but is currently indeterminable, state that fact and explain why it cannot be determined currently.

PART VIII

SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY EXECUTIVES AND EMPLOYEES OF THE TRUSTEE-MANAGER AND SUBSTANTIAL UNITHOLDERS OF THE RELEVANT BUSINESS TRUST

Options on Units

1. Unless otherwise disclosed pursuant to paragraphs 5 and 9 of Part VII (Compensation for Services), provide information as to the options on the units of the relevant business trust granted to each of the directors and the chief executive officer of the trustee-manager of the relevant business trust, including, in respect of each option —

- (a) the description and number of units covered by the option;
- (b) the exercise price;

- (c) the option purchase price (if any);
- (d) the period during which the option is exercisable; and (e) the expiration date of the option.

2. Describe any arrangement which involves the employees of the trustee-manager of the relevant business trust and, if the business trust is part of a group, the directors or employees of a subsidiary, a subsidiary entity, an associated company or an associated entity of the relevant business trust, in the equity of the relevant business trust, including any arrangement that involves the issue or grant of units in, or options on or any other derivatives of units in, the relevant business trust.

Interest in Shares and Units

3. Provide the names of each substantial shareholder and director and the chief executive officer of the trustee-manager of the relevant business trust, and the names of each substantial unitholder in the relevant business trust, and state the number and percentage of shares of each class in the trustee-manager, and units of each class in the relevant business trust, in which each of them has an interest, ~~whether direct or deemed under section 4 of the Act,~~ as of the latest practicable date and immediately after the offer. Disclose any significant change in the percentage of ownership in the last 3 years prior to the latest practicable date. For purposes of this paragraph, section 4 (other than subsection (6)) of the Act shall apply for determining whether a person has an interest in the shares of the trustee-manager or units in the business trust; and in determining whether a person deemed to have an interest for the purposes of subsection (5) of that section, a person shall be treated as an associate of another person if the first-mentioned person is —

- (a) a subsidiary of the second-mentioned person;
- (b) a person who is accustomed or is under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the second-mentioned person in relation to those securities; or
- (c) a corporation which is, or the directors of which are, accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the second-mentioned person in relation to those securities.

4. Indicate whether the units in which the persons referred to in paragraph 3 of this Part have interests carry different voting rights from those units being offered, or provide an appropriate negative statement.

5. To the extent known to the trustee-manager of the relevant business trust, state whether the trustee-manager or the relevant business trust is directly or

indirectly owned or controlled, whether severally or jointly, by any person or government, and if so, give the name of such person or government, and briefly describe the nature of such control, including the amount and proportion of capital or unitholders' equity held giving a right to vote.

6. Disclose any contractual undertaking provided by any party to observe a moratorium on the transfer or disposal of his interest, within the meaning of section 4 of the Act, in the units in the relevant business trust or the shares of the trustee-manager of the relevant business trust.

7. Describe any known arrangement the operation of which may, at a subsequent date, result in a change in control of the relevant business trust or the trustee-manager of the relevant business trust.

Material Background Information

8. Disclose the following matters concerning a director, key executive or controlling shareholder of the trustee-manager of the relevant business trust, or a controlling unitholder of the relevant business trust:

- (a) whether at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner;
- (b) whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
- (c) whether there is any unsatisfied judgment against him;
- (d) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
- (e) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

- (f) whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (g) whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (i) whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;
- (j) whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of —
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust;
- (k) whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning,

by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

PART IX

INTERESTED PERSON TRANSACTIONS AND CONFLICT OF INTERESTS

Interested Person Transactions

1. Provide the following information with respect to each transaction or loan, or proposed transaction or loan, between the beginning of the 3 most recent completed financial years and the latest practicable date, and between the entity at risk and an interested person of the relevant business trust, which are material in the context of the offer:

- (a) the nature of the transaction and the quantum involved; and
- (b) the amount of the loan (including a guarantee of any kind) made by the entity at risk or interested person to or for the benefit of the interested person or entity at risk respectively, such information to include the largest amount outstanding during the period covered, the amount outstanding as at the latest practicable date, the nature of the loan and the transaction in which it was incurred, and the interest rate on the loan.

2. For each transaction referred to in paragraph 1 of this Part —

- (a) that has been completed or will be completed at or before the close of the offer, disclose whether or not the transaction has been or will be carried out on an arm's length basis;
- (b) that will continue after the close of the offer, disclose —
 - (i) whether or not the transaction has been carried out on an arm's length basis; and
 - (ii) the procedure undertaken or which will be undertaken to ensure that such transaction will be carried out on an arm's length basis; or
- (c) that has been proposed, disclose the procedure which will be undertaken to ensure that such transaction will be carried out on an arm's length basis.

For each loan referred to in paragraph 1 of this Part —

- (a) that has been repaid or will be repaid at or before the close of the offer, disclose whether or not the loan was made on an arm's length basis;
- (b) that is to be repaid, whether partly or wholly, after the close of the offer, disclose —

- (i) whether or not the loan was made on an arm's length basis; and
- (ii) when the loan is intended or required to be repaid; or
- (c) that has been proposed, disclose the procedure which will be undertaken to ensure that such loan will be made on an arm's length basis.

4. Where transactions or loans between the entity at risk and an interested person of the relevant business trust are similar and recurring in nature or could otherwise be grouped in a meaningful manner, the information required with respect to the transactions or loans in paragraphs 1, 2 and 3 of this Part should be provided on an aggregate basis, if the aggregate of these transactions or loans are material in the context of the offer.

Conflict of Interests

5. Where a director or controlling shareholder of the trustee-manager of the relevant business trust, or a controlling unitholder of the relevant business trust, or his associate has an interest in any entity or business trust carrying on the same business or dealing in similar products as the relevant business trust or, if the relevant business trust is part of a group, as the group, disclose —

- (a) the name of that entity;
- (b) the name of the director, controlling shareholder or controlling unitholder involved;
- (c) the nature and extent of his interest in that entity and the extent to which he is involved in the management of that entity either directly or indirectly; and
- (d) whether any conflict of interests thereby arising has been or is to be resolved or mitigated and, if so, how it has been or is proposed to be resolved or mitigated.

Interests of Experts

6. If an expert named in the prospectus —

- (a) is employed on a contingent basis by the trustee-manager, or a subsidiary or subsidiary entity, of the relevant business trust;
- (b) has a material interest, whether direct or indirect, in the units in the relevant business trust, the shares of its subsidiary or the equity interests of its subsidiary entity; or
- (c) has a material economic interest, whether direct or indirect, in the relevant business trust, including an interest in the success of the offer,

describe the nature and terms of such contingency or interest.

Interests of Underwriters or Financial Advisers

7. If, in the reasonable opinion of the directors of the trustee-manager of the relevant business trust, any underwriter, ~~or other~~ financial adviser, or consultant engaged by the trustee-manager of the relevant business trust in relation to the offer has a material relationship with the relevant business trust or the trustee-manager of the relevant business trust, describe the nature and terms of such relationship.

PART X

FINANCIAL INFORMATION

1.—(1) In this Part, unless the context otherwise requires —

“annual financial statements” means any annual financial statements of the relevant business trust or, where the relevant business trust is part of a group, any annual consolidated financial statements of the relevant business trust or any annual combined financial statements of the group;

“auditor” or “auditors” includes, where the trustee-manager of the relevant business trust has engaged any auditor other than the auditors of the relevant business trust in relation to any requirement under this Part, that auditor;

“common control business” means a business which —

- (a) at the time of registration of the prospectus, had been acquired by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust), or by any entity in the group; and
- (b) immediately prior to its acquisition by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust), or by any entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant business trust;

“common control business trust” means a business trust which —

- (a) at the time of registration of the prospectus, had been acquired by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust), or by any entity in the group; and
- (b) immediately prior to its acquisition by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust), or by any entity in the group, was held and controlled, whether directly or indirectly, by a person who

controls the relevant business trust; “common control entity” means an entity which —

- (a) at the time of registration of the prospectus, had been acquired by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust), or by any entity in the group; and
- (b) immediately prior to its acquisition by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or by any entity in the group, was held and controlled, whether directly or indirectly, by a person who controls the relevant business trust;

“group” means the group of which the relevant business trust is a part;

“interim financial statements” means any interim financial statements of the relevant business trust or, where the relevant business trust is part of a group, any interim consolidated financial statements of the relevant business trust or any interim combined financial statements of the group;

“pro forma financial statements” means any pro forma financial statements of the relevant business trust or, where the relevant business trust is part of a group, of the group;

“underlying financial statements”, in relation to any financial statements which have been restated pursuant to paragraph 8(b)(i) of this Part (referred to in this definition as the restated financial statements), means the financial statements that form the basis for the restated financial statements.

(2) For the purposes of this Part, a person controls an entity, a business or a business trust if —

- (a) subject to sub-paragraph (b), under the accounting standards adopted by the trustee-manager of the relevant business trust in the preparation of the annual financial statements of the business trust; or

~~(b)~~(a) where those annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, under the body of accounting standards in accordance with which those annual financial statements have been restated,

the person would have been treated, in the preparation of any consolidated financial statements of the relevant business trust or any combined financial statements of the group, as having the capacity to determine the outcome of decisions on the financial and operating policies relating to the entity, business or business trust.

Audited Financial Information

2. Subject to paragraphs 3 and 7 of this Part, provide —

(a) in a case where the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or, if the relevant business trust is part of a group, the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or any entity in the group has acquired **any** common control entity, common control business or common control business trust between the beginning of the period comprising the 3 most recent completed financial years of the relevant business trust or group, as the case may be, and the date of registration of the prospectus by the Authority —

(i) the annual financial statements of the relevant business trust or, if the relevant business trust is part of a group, the annual consolidated financial statements of the relevant business trust or the annual combined financial statements of the group for the 3 most recent completed financial years; or

(ii) where —

(A) the relevant business trust has been in existence for less than 3 completed financial years or, if the relevant business trust is part of a group, neither the relevant business trust nor any entity in the group has been in existence for at least 3 completed financial years; and

(B) no common control entity, common control business or common control business trust has been held and controlled, whether directly or indirectly, by a person who controls the relevant business trust as at the end of the earliest of the 3 most recent completed financial years,

the annual financial statements of the relevant business trust or, if the relevant business trust is part of a group, the annual consolidated financial statements of the relevant business trust or the annual combined financial statements of the group for each financial year beginning with the financial year in which —

(AA) the relevant business trust or, if the relevant business trust is part of a group, the relevant business trust or any entity in the group came into existence; or

(BB) any of the common control entities, common control businesses or common control business trusts was first held and controlled by a person who controls the relevant business trust,

whichever is earlier; or

(b) in any other case, the annual financial statements of the relevant business trust or, if the relevant business trust is part of a group, the annual consolidated financial statements of the relevant business trust for the 3 most recent completed financial years or, where the relevant business trust has been in existence for less than 3 completed financial years, for each of the financial years during which it has been in existence.

3. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year —

(a) the annual financial statements for the most recent completed financial year need not be provided under paragraph 2 of this Part;

(b) a reference to the 3 most recent completed financial years in paragraphs 2 and 7 of this Part shall be construed as a reference to the 3 completed financial years immediately preceding the most recent completed financial year; and

(c) a reference to the most recent completed financial year in paragraphs 2 and 5 of this Part shall be construed as a reference to the financial year immediately preceding the most recent completed financial year.

4. The annual financial statements to be provided under paragraph 2(a) of this Part shall be prepared as if the common control entities, common control businesses or common control business trusts were, at the time they were held and controlled, whether directly or indirectly, by a person who controls the relevant business trust, a part of the property of the relevant business trust or a part of the group, as the case may be, for the relevant financial periods.

5. If any annual financial statements to be provided under paragraph 2 of this Part relate to a period other than 12 months due to a change in the financial year end of the relevant business trust or the group, as the case may be, the annual financial statements in respect of that financial year and the financial years preceding that financial year shall be provided on a restated 12-month basis, so that the financial year end for each of the restated financial statements corresponds to the financial year end for the most recent completed financial year.

6. For the avoidance of doubt, where the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or any entity in the group has acquired any asset or any entity, business or business trust (other than a common control entity, common control business or common control business trust), the annual financial statements to be provided under paragraph 2 of this Part shall include such asset, entity or business or business trust only from the date of its acquisition by the trustee-manager (acting in its capacity as

trustee-manager of the relevant business trust) or the entity in the group, as the case may be.

7. The annual financial statements of the relevant business trust or the group, as the case may be, need not be provided under paragraph 2 of this Part in respect of any financial year in which —

- (a) the relevant business trust and, if the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) had acquired any common control business between the beginning of the period comprising the 3 most recent completed financial years and the date of registration of the prospectus by the Authority, all such common control businesses; or
- (b) where the relevant business trust is part of a group, the group and, if the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or any entity in the group had acquired any common control entity, common control business or common control business trust between the beginning of the period comprising the 3 most recent completed financial years and the date of registration of the prospectus by the Authority, all such common control entities, common control businesses and common control business trusts, were dormant or had not commenced any activity as at the end of that financial year.

8. Each of the annual financial statements to be provided under paragraph 2 of this Part must be —

- (a) prepared in accordance with the ~~[●New Framework]Financial Reporting Standards (referred to in this Part as FRS)~~, the International Financial Reporting Standards (referred to in this Part as IFRS), US Generally Accepted Accounting Principles (referred to in this Part as US GAAP); or
- (b) where the annual financial statements are not prepared in accordance with any body of accounting standards referred to in sub-paragraph (a) —
 - (i) restated in accordance with any body of accounting standards referred to in sub-paragraph (a);
 - (ii) if no material adjustments are required to restate the annual financial statements in accordance with any body of accounting standards referred to in sub-paragraph (a), accompanied by an opinion from the auditors that this is so; or
 - (iii) prepared in accordance with such other body of accounting standards as may be approved in any particular case by the Authority.

(85) Explanatory Note: Singapore incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore (“Listed Singapore Companies”), are required by the Accounting Standards Council to apply a new Singapore financial reporting framework (“New Framework”) (that is identical to IFRS) for financial years beginning on or after 1 January 2018. ASC’s requirement does not apply to business trusts that are registered under the Business Trusts Act (“Registered BTs”) administered by MAS. MAS announced in its press release of 19 January 2017 that it will require Registered BTs to prepare financial statements in accordance with the New Framework for financial years beginning on or after 1 January 2018. This will align the treatment of Registered BTs with Listed Singapore Companies. Accordingly, MAS is proposing to replace existing references to “FRS” with “New Framework”. These amendments are intended to facilitate comparability between financial information (including annual financial statements) in prospectuses accompanying offers by Registered BTs with financial information available post offering.

8A. Notwithstanding paragraph 8 of this Part, an annual financial statement to be provided under paragraph 2 of this Part may be prepared in accordance with the Financial Reporting Standards (referred to in this Part as FRS), provided that —

- (a) the financial year covered by that annual financial statement begins before 1 January 2018;
- (b) where the financial years covered by all the annual financial statements to be provided under paragraph 2 of this Part begin before 1 January 2017, the prospectus discloses the following —
 - (i) the qualitative information on the prospective changes from FRS to [●New Framework], including a discussion of the impact that initial application of the [●New Framework] is expected to have on the financial statements;
 - (ii) an audited reconciliation of net profit after tax of the most recent completed financial year prepared in accordance with FRS, to [●New Framework]; and
 - (iii) an audited reconciliation of net assets of the most recent completed financial year prepared in accordance with FRS, to [●New Framework]; and

(c) where the financial year covered by one of the annual financial statements to be provided under paragraph 2 of this Part begins on or after 1 January 2017 but before 1 January 2018, the prospectus discloses the following —

(i) the annual financial statements covering financial years beginning before 1 January 2017, if any, prepared in accordance with FRS;

(ii) the annual financial statement covering the financial year beginning on or after 1 January 2017 but before 1 January 2018 prepared in accordance with FRS, and accompanied by —

(A) an audited reconciliation of the statement of profit or loss and other comprehensive income prepared in accordance with FRS, to [●New Framework];

(B) an audited reconciliation of the statement of cash flows prepared in accordance with FRS, to [●New Framework];

(C) an audited reconciliation of the statement of financial position prepared in accordance with FRS, to [●New Framework];

(D) an audited reconciliation of the statement of changes in equity prepared in accordance with FRS, to [●New Framework];

(E) notes to describe any differences between the financial figures prepared in FRS and those in the [●New Framework], and

(+)(iii) the annual financial statements covering the financial years beginning on or after 1 January 2018, if any, prepared in accordance with the [●New Framework].

(86) **Explanatory Note:** New paragraph 8A is proposed to provide Registered BTs that currently prepare annual financial statements in FRS and that are targeting to issue units shortly after the New Framework comes into effect, with transitional relief from restating up to three years of historical annual financial statements from FRS to the New Framework pursuant to the amendments in paragraph 8. Registered BTs have the option of using the transitional relief, or restating up to three years of historical annual financial statements.

9. State, in respect of each financial year, the body of accounting standards that was adopted by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) in the preparation of the annual financial statements to be provided under paragraph 2 of this Part for that financial year and, where the annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the body of accounting standards in accordance with which the underlying financial statements have been restated.

10. Each of the annual financial statements to be provided under paragraph 2 of this Part or, where the annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the underlying financial statements, must be audited in accordance with —

- (a) the Singapore Standards on Auditing (referred to in this Part as SSA), the International Standards on Auditing (referred to in this Part as ISA), or the US Generally Accepted Auditing Standards (referred to in this Part as US GAAS);
- (b) any body of auditing standards which is not materially different from any body of auditing standards referred to in sub-paragraph (a) to the extent applicable to the audit of the annual financial statements; or
- (c) such other body of auditing standards as may be approved in any particular case by the Authority.

11. State, in respect of each financial year, the body of auditing standards that was adopted by the auditors of the relevant business trust in the audit of the annual financial statements to be provided under paragraph 2 of this Part for that financial year or, where the annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the body of auditing standards that was adopted in the audit of the underlying financial statements.

12. Where any annual financial statements to be provided under paragraph 2 of this Part or, if the annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the underlying financial statements are audited in accordance with any body of auditing standards referred to in paragraph 10(b) of this Part, include in the prospectus an opinion from the auditors of the relevant business trust that there are no material differences between the body of auditing standards adopted in the audit of the annual financial statements or underlying financial statements, as the case may be, and the SSA, ISA or US GAAS to the extent applicable to the audit of the annual financial statements or underlying financial statements.

13. Subject to paragraph 14 of this Part, each of the annual financial statements to be provided under paragraph 2 of this Part shall be accompanied by —

- (a) the audit report in respect of the annual financial statements or, if the auditors have refused to issue an audit report in respect of the annual financial statements, a statement highlighting and providing the reasons for the auditors' refusal;
- (b) a statement identifying the auditors who audited the annual financial statements and the membership or memberships of each auditor in any professional body or bodies; and
- (c) if the audit report in respect of the annual financial statements contains any material qualification, modification or disclaimer, a statement highlighting and providing the reasons for the qualification, modification or disclaimer in the prospectus.

14. Where any annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, state that fact and include in the prospectus in respect of each of the restated financial statements —

- (a) an opinion from the auditors of the relevant business trust that nothing has come to their attention that causes them to believe that the restated annual financial statements have not been properly restated in all material respects in accordance with a body of accounting standards referred to in paragraph 8(a) of this Part;
- (b) a statement of reconciliation between the restated annual financial statements and the audited underlying financial statements;
- (c) a statement identifying the auditors who audited the underlying financial statements and the membership or memberships of each auditor in any professional body or bodies;
- (d) a statement that the underlying financial statements have been audited in accordance with the relevant auditing standards; (e) either of the following:
 - (i) a statement that the audit report for the underlying financial statements does not contain any material qualification; or
 - (ii) if the audit report for the underlying financial statements contains any material qualification, modification or disclaimer, a statement setting out in full and providing the reasons for the qualification, modification or disclaimer, as the case may be;
- (f) a statement that the auditor for the underlying financial statements has given, and has not withdrawn, his written consent to the issue of the prospectus with the inclusion of the statements referred to in sub-paragraphs (c), (d) and (e) in the form and context in which they are included in the prospectus; and

- (g) a statement that copies of the audited underlying financial statements are available for inspection at a specified place in Singapore for a period of at least 6 months from the date of registration of the prospectus by the Authority.

15. The annual financial statements to be provided under paragraph 2 of this Part or, where annual financial statements have been restated pursuant to paragraph 8(b)(i) of this Part, the underlying financial statements shall be made up to a date not earlier than 12 months before the date of lodgment of the prospectus.

Interim Financial Information

16. If the date of lodgment of the prospectus is more than 6 months after the end of the most recent completed financial year for which audited financial statements have been prepared, provide the interim financial statements of the relevant business trust or, where the relevant business trust is part of a group, of the group in accordance with paragraphs 17, 18 and 19 of this Part.

17. If the date of lodgment of the prospectus is more than 6 months but ~~less-not~~ more than 9 months after the end of the most recent completed financial year for which audited financial statements have been prepared —

- (a) the interim financial statements to be provided under paragraph 16 of this Part shall cover at least the first 3 months of the current financial year;
- (b) the interim financial statements shall be reviewed by the auditors of the relevant business trust but need not be audited; and
- (c) the fact that the interim financial statements have only been reviewed but not audited shall be stated.

18. If the date of lodgment of the prospectus is more than 9 months but ~~less-not~~ more than 12 months after the end of the most recent completed financial year for which audited financial statements were prepared —

- (a) the interim financial statements to be provided under paragraph 16 of this Part shall cover at least the first 6 months of the current financial year;
- (b) the interim financial statements shall be reviewed by the auditors of the relevant business trust but need not be audited; and
- (c) the fact that the interim financial statements have only been reviewed but not audited shall be stated.

19. If the date of lodgment of the prospectus is more than 12 months but ~~less-not~~ more than 15 months after the end of the most recent completed financial year for which audited financial statements were prepared —

- (a) the interim financial statements to be provided under paragraph 16 of this Part shall cover at least the first 9 months of the most recent completed financial year;
- (b) the interim financial statements for at least the first 3 months of the most recent completed financial year shall be audited;
- (c) the interim financial statements for the remaining months of the period covered by the interim financial statements referred to in subparagraph (a) ~~most recent completed financial year~~ shall be reviewed by the auditors of the relevant business trust but need not be audited; and
- (d) the fact that the interim financial statements for the remaining months of the ~~most period covered by the interim financial statements referred to in subparagraph (a)~~ recent completed financial year have only been reviewed but not audited shall be stated.

20. The interim financial statements provided shall be prepared in a format similar to the format of the audited financial statements for the most recent completed financial year provided under paragraph 2 read with paragraphs 8 and 8A of this Part.

(87) Explanatory Note: Amendments to paragraph 20 are proposed for clarity.

20A. Notwithstanding paragraph 20, the interim financial statements provided shall be prepared in accordance with the [●New Framework], if:

- (a) the audited financial statements for the most recent completed financial year provided under paragraph 2 read with paragraphs 8 and 8A of this Part are prepared in accordance with FRS; and
- (b) the interim financial statements cover a period beginning on or after 1 January 2018.

(88) Explanatory Note: New paragraph 20A is proposed to clarify that interim financial statements covering periods beginning on or after 1 January 2018, and its comparative, should be prepared in accordance with the New Framework.

21. Include the following in the interim financial statements:

- (a) comparative figures (other than balance sheet figures) for the same period in the preceding financial year in respect of the relevant business trust or, if the relevant business trust is part of a group, of the group, unless annual financial statements of the relevant business trust or group, as the case may be, have not been provided for the preceding financial year; and
- (b) selected note disclosures that explain any event or change which is significant to the understanding of any change in the financial position and results of the relevant business trust or, if the relevant business trust is part of a group, of the group since the last annual reporting date.

22. Include in the prospectus —

- (a) a report by the auditors of the relevant business trust on the audit of the interim financial statements; or
- (b) if the interim financial statements are not audited, a report by the auditors on the review of the interim financial statements.

Pro Forma Financial Information

23. Where —

- (a) the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or, if the relevant business trust is a part of a group, the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or any entity in the group, has —

- (i) acquired or disposed of any asset or any entity or business or business trust (other than a common control entity, common control business or common control business trust); or
 - (ii) entered into any agreement to acquire or dispose of any asset or any entity, business or business trust (whether or not that entity, business or business trust is a common control entity, common control business or common control business trust),

during the period between the beginning of the most recent completed financial year and the date of the registration of the prospectus by the Authority and —

- (A) the net book value, or the absolute amount of the profit or loss before tax, of that asset, entity, business or business trust has or would have

accounted for 10% or more of the absolute amount of the net assets or net liabilities, or the profit or loss before tax, respectively, of the relevant business trust or of the group (after adjusting for the effects of the group restructuring, where applicable), as the case may be, in respect of the most recent completed financial year;

- (B) the total net book value, or the total absolute amount of the profit or loss before tax, of all of those assets, entities, businesses and business trusts together have or would have accounted for 20% or more of the absolute amount of the net assets or net liabilities, or the profit or loss before tax, respectively, of the relevant business trust or of the group (after adjusting for the effects of the group restructuring, where applicable), as the case may be, in respect of the most recent completed financial year; or

(b) any significant change to the capital structure (including any material distribution) of the relevant business trust, or, if the relevant business trust is part of a group, of the relevant business trust or of any entity or any other business trust in the group, has occurred during the period between the end of the most recent completed financial year and the date of the registration of the prospectus by the Authority, provide pro forma financial statements for the most recent completed financial year and, if interim financial statements of the relevant business trust or of the group have been included in the prospectus, for the period covered by the interim financial statements.

23A. The pro forma financial statements required under paragraph 23(a) of this Part need not be provided if the acquisition or disposal, or agreement to acquire or dispose of any asset or business, was in relation to —

- (a) a new production line;
- (b) construction-in-progress; or
- (c) any other machinery or equipment,

which was, or was to be, acquired or disposed of in the ordinary course of business by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or any entity in the group, for which disclosures have been made under paragraph 1(e) or (f) of Part V or paragraph 7 of Part VI.

24. The pro forma profit and loss statement and pro forma cash flow statement shall be prepared —

- (a) for the most recent completed financial year; and

- (b) where any interim financial statements have been provided (whether under paragraph 16 of this Part or otherwise), for the period covered by the interim financial statements,

as if the acquisition, disposal or significant change had occurred at the beginning of the most recent completed financial year.

25. The pro forma balance sheet shall be prepared —

- (a) as at the end of the most recent completed financial year as if the acquisition, disposal or significant change had occurred at the end of that financial year; and
- (b) where any interim financial statements have been provided (whether under paragraph 16 of this Part or otherwise), as at the end of the period covered by the interim financial statements, as if the acquisition, disposal or significant change had occurred at the end of the period.

25A. The pro forma profit and loss statement and pro forma cash flow statement need not be provided under paragraph 23 —

- (a) for the most recent completed financial year, where the asset, entity, business or business trust that is the subject of the acquisition, disposal, or agreement for acquisition or disposal was inactive for the whole of that financial year; and
- (b) for the period covered by the interim financial statements (if applicable), where the asset, entity, business or business trust was inactive for the whole of the period covered by the interim financial statements.

25B. For the purposes of paragraph 25A of this Part —

- (a) an asset is inactive if it is not being used in the course or furtherance of a business;
- (b) a business is inactive if —
 - (i) it has not commenced; or
 - (ii) it is dormant;
- ~~(a)~~(c) an entity or a business trust is inactive if it is dormant.

26. Where the prospectus includes an opinion of the auditors of the relevant business trust that the pro forma profit and loss statement, cash flow statement or balance sheet in respect of the most recent completed financial year or, where any interim financial statements have been provided (whether under paragraph 16 of this Part or otherwise), in respect of the period covered by the interim financial statements, is the same, in all material respects, as the audited annual or interim profit

and loss statement, cash flow statement or balance sheet of the relevant business trust, or the audited annual or interim consolidated profit and loss statement, cash flow statement or balance sheet of the relevant business trust, or the audited annual or interim combined profit and loss statement, cash flow statement or balance sheet of the group, as the case may be, which has been included in the prospectus, the pro forma profit and loss statement, cash flow statement or balance sheet, as the case may be, for that financial year or period need not be provided.

27. In respect of the pro forma financial statements required under paragraph 23 of this Part, state —

- (a) that they are prepared for illustrative purposes only and based on certain assumptions, after making certain adjustments, to show —
 - (i) what the financial results and cash flows of the relevant business trust or the group, as the case may be, for the most recent completed financial year and, where applicable, the period covered by the interim financial statements would have been, if the acquisition, disposal or significant change had occurred at the beginning of that financial year; and
 - (ii) what the financial position of the relevant business trust or the group, as the case may be, would have been —
 - (A) as at the end of the most recent completed financial year, if the acquisition, disposal or significant change had occurred at the end of that financial year; and
 - (B) where applicable, as at the end of the period covered by the interim financial statements, if the acquisition, disposal or significant change had occurred at the end of that period;
- (b) that because of their nature, they may not give a true picture of the actual financial position or results of the relevant business trust or the group, as the case may be;
- (c) the basis upon which they are prepared, including the source of each item of information; and
- (d) any material adjustment made to any information used in the preparation of the pro forma financial statements and the reason for making that adjustment.

28. Where pro forma financial statements have been provided for any reason referred to in paragraph 23(a) of this Part, with respect to the pro forma financial statements —

- (a) identify each asset, entity, business or business trust referred to in paragraph 23(a)(i) and (ii) of this Part;
- (b) provide a statement that the pro forma financial statements included in the prospectus have been properly prepared from financial statements relating to —
 - (i) the assets, entities, businesses and business trusts in the group; and
 - (ii) the assets, entities, businesses and business trusts referred to in paragraph 23(a)(i) and (ii) of this Part;
- (c) provide a statement —
 - (i) that the financial statements relating to the assets, entities, businesses and business trusts referred to in paragraph 23(a)(i) and (ii) of this Part (each being an asset, an entity, a business or a business trust which has been or will be acquired by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or any entity in the group) which were used in the preparation of the pro forma financial statements were prepared in accordance with the [●New Framework]~~FRS~~, IFRS or US GAAP; or
 - (ii) where the financial statements relating to any asset, entity, business or business trust referred to in paragraph 23(a)(i) and (ii) of this Part (being an asset, an entity, a business or a business trust which has been or will be acquired by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or any entity in the group) which were used in the preparation of the pro forma financial statements were not prepared in accordance with any body of accounting standards referred to in sub-paragraph (c)(i), in respect of each such asset, entity, business or business trust —
 - (A) that the financial statements relating to that asset, entity, business or business trust were restated in accordance with any body of accounting standards referred to in sub-paragraph (c)(i);
 - (B) that the financial statements relating to that asset, entity, business or business trust were prepared in accordance with such other body of accounting standards as may be approved in any particular case by the Authority; or
 - (C) if no material adjustments are required to restate the financial statements relating to that asset, entity, business or business trust in accordance with any body of accounting standards referred to in

sub-paragraph (c)(i), that no material adjustments would be required to restate those financial statements to be in accordance with that body of accounting standards,

and that the financial statements of all other assets, entities, businesses or business trusts referred to in paragraph 23(a)(i) and (ii) of this Part (each being an asset, an entity, a business or a business trust which has been or will be acquired by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or any entity in the group) which were used in the preparation of the pro forma financial statements were prepared in accordance with a body of accounting standards referred to in sub-paragraph (c)(i); and

(d) state, in respect of each of the financial statements relating to the assets, entities, businesses and business trusts referred to in paragraph 23(a)(i) and (ii) of this Part (each being an asset, entity, business or business trust which has been or will be acquired by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or any entity in the group) which were used in the preparation of the pro forma financial statements, the body of accounting standards that was adopted in the preparation of the financial statements and, where the financial statements have been restated pursuant to sub-paragraph (c)(ii)(A), the body of accounting standards in accordance with which the financial statements have been restated.

28A. Notwithstanding paragraph 28(c)(i), where the financial year or interim period covered by a pro forma financial statement begins before 1 January 2018, the financial statements relating to the assets, entities, businesses and business trusts referred to in paragraph 23(a)(i) and (ii) of this Part which were used in the preparation of the pro forma financial statement may, for the purposes of paragraph 28(c), be prepared or restated in accordance with the FRS.

(89) **Explanatory Note:** New paragraph 28A is proposed to clarify that the financial statements relating to the assets, entities, business and business trusts referred to in paragraph 23(a)(i) and (ii) of this Part may be prepared or restated in accordance with the FRS if the financial statements were used to prepare a pro forma financial statement that covers a financial year or interim period beginning before 1 January 2018, and that the statements required under paragraph 28(c) may accordingly refer to FRS for such a case.

29. In respect of each of the financial statements relating to the assets, entities, businesses and business trusts referred to in paragraph 23(a)(i) and (ii) of this Part (each being an asset, an entity, a business or a business trust which has been or will be acquired by the trustee-manager of the relevant business trust (acting in its capacity as the trustee-manager of the relevant business trust) or any entity in the group) which are used in the preparation of the pro forma financial statements, state whether or not the financial statements are audited.

30. In respect of each of the audited financial statements relating to the assets, entities, businesses and business trusts referred to in paragraph 23(a)(i) and (ii) of this Part (each being an asset, an entity, a business or a business trust which has been or will be acquired by the trustee-manager of the relevant business trust (acting in its capacity as the trustee-manager of the relevant business trust) or any entity in the group) which are used in the preparation of the pro forma financial statements —

- (a) state the body of auditing standards that was adopted by the auditors in the audit of the financial statements; and
- (b) provide a statement identifying the auditors who audited the financial statements, together with the membership or memberships of each auditor in a professional body.

31. Include, in the prospectus —

- (a) a statement that the audit reports for the financial statements referred to in paragraph 30 of this Part do not contain any material qualification; or
- (b) if any of those audit reports contains any material qualification, modification or disclaimer, a statement —
 - (i) setting out in full the qualification, modification or disclaimer; and
 - (ii) providing the reason for the qualification, modification or disclaimer.

32. Include, in the prospectus, an opinion from the auditors of the relevant business trust that —

- (a) the pro forma financial statements have been properly prepared —
 - (i) on the basis stated in paragraph 27(c) of this Part; and
 - (ii) where the pro forma financial statements have been provided for any reason referred to in paragraph 23(a) of this Part, in accordance with the matters referred to in the statements under paragraph 28(b) and (c) of this Part; and

- (b) each material adjustment made to the information used in the preparation of the pro forma financial statements is appropriate for the purpose of preparing such financial statements and in accordance with —
 - (i) generally accepted auditing standards in Singapore; or
 - (ii) such other auditing standards as may be approved in any particular case by the Authority.

33. The pro forma financial statements to be provided under paragraph 23 of this Part shall —

- (a) in the case of annual financial statements, be —
 - (i) made up to the date to which the audited financial statements of the relevant business trust or the group for the most recent completed financial year have been made up; and
 - (ii) prepared in the format similar to the format of the audited financial statement for the most recent completed financial year provided under paragraph 2 read with paragraphs 8 and 8A of this Part; and
- (b) in the case of interim financial statements, be —
 - (i) made up to the date to which the interim financial statements of the relevant business trust or the group have been made up; and
 - (ii) prepared in the format similar to the format of the interim financial statements provided under paragraph 20 read with paragraph 20A of this Part.

(90) Explanatory Note: Amendments to paragraph 33 are proposed to clarify the format (including applicable financial reporting framework) to be used in the preparation of pro forma financial statements.

34. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year —

- (a) the pro forma financial statements for the most recent completed financial year need not be provided under paragraph 23 of this Part; and
- (b) the reference to the most recent completed financial year in paragraphs 23 to 27 and 33 shall be construed as a reference to the financial year immediately preceding the most recent completed financial year.

Change in Accounting Policies

35. Where there has been a material change to the accounting policies of the relevant business trust, provide a summary of the material change and the reason for and quantitative impact of such change on the financial results of the relevant business trust or, if the relevant business trust is part of a group, of the group for each of the 3 most recent completed financial years. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, the reference to the 3 most recent completed financial years in this paragraph shall be a reference to the 3 most recent completed financial years immediately preceding the most recent completed financial year.

Litigation

36. Provide information on any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the prospectus, a material effect on the financial position or profitability of the relevant business trust or, where the relevant business trust is part of a group, of the group.

Distributions

37. Disclose the rate of the distribution of profits, income or other payments or returns, if any, paid or declared by the trustee-manager of the relevant business trust in respect of each class of units in the relevant business trust for each of the 3 most recent completed financial years and for the period from the end of the most recent completed financial year to the latest practicable date. ~~giving~~Provide particulars of each such class of units and of any case in which no distributions have been paid in respect of any class of units for any of those years or the abovementioned period. Where distributions have been declared but not paid, state when they will be paid.

38. Describe the policy on declaration of distributions of profits, income or other payments or returns adopted by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) and, if it does not have a fixed policy, state so.

Significant Changes

39. Disclose any event (other than any matter disclosed under paragraph 23 of this Part) that has occurred since the end of the period covered by the most recent financial statements included in the prospectus (whether such financial statements are annual financial statements or interim financial statements) to the latest practicable date which may have a material effect on the financial position and results of the relevant business trust or, where the relevant business trust is part of a

group, the group or, if there is no such event, provide an appropriate negative statement.

PART XI

THE OFFER AND LISTING

Offer and Listing Details

1. If there is no established market for the units or derivatives of units, as the case may be, being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

2. If —

- (a) any of the unitholders of the relevant business trust have pre-emptive purchase rights; and
- (b) the exercise of the rights by the unitholder is restricted, withdrawn or waived,

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

3. If units or derivatives of units, as the case may be, in the relevant business trust of the same class as that being offered are listed for quotation or quoted on any ~~securities~~approved exchange or overseas ~~securities~~ exchange, disclose the following information regarding the price history of such units or derivatives of units:

- (a) the annual highest and lowest market prices for the 3 most recent completed financial years or, if such units or derivatives of units are listed for quotation or quoted on the ~~securities~~approved exchange or overseas ~~securities~~ exchange for less than 3 completed financial years, for each financial year since the date on which the units or derivatives of units are so listed or quoted;
- (b) the highest and lowest market prices for each financial quarter of the 2 most recent completed financial years and any subsequent financial quarters before the date of lodgment of the prospectus or, if the units or derivatives of units are listed for quotation or quoted on the ~~securities~~approved exchange or overseas ~~securities~~ exchange for less than 2 completed financial years, for each financial quarter from the date on which the units or derivatives of units are so listed or quoted, to the latest practicable date;

- (c) the highest and lowest market prices for each of the last 6 months before the date of lodgment of the prospectus or, if the units or derivatives of units are listed for quotation or quoted on the ~~securities~~approved exchange or overseas ~~securities~~-exchange for less than 6 months, for each month from the date on which the units or derivatives of units are so listed or quoted, to the latest practicable date; and
- (d) the closing market prices on the last trading day before the announcement of the offer and (if different) on the latest practicable date.

4. Disclose any significant trading suspension that has occurred on the ~~securities~~approved exchange or overseas ~~securities~~-exchange during the last 3 years immediately preceding the latest practicable date or, if the units or derivatives of units in the relevant business trust are listed for quotation or quoted for less than 3 years, during the period from the date on which the units or derivatives of units were first listed for quotation or quoted to the latest practicable date. If the units or derivatives of units are not regularly traded on an ~~an~~ securitiesapproved exchange or overseas ~~securities~~-exchange, provide information on any lack of liquidity.

5. State the class of the units or derivatives of units, as the case may be, being offered or listed and —

- (a) indicate whether the units or derivatives of units are registered units or bearer units, provide the number of units or derivatives of units to be issued and made available to the market for each class of unit or derivative of unit and, where applicable, state the minimum and maximum offer prices;
- (b) describe any coupon; and
- (c) describe the arrangement for transfer and any restriction on the free transferability of the units or derivatives of units.

6. If the rights evidenced by the units or derivatives of units, as the case may be, being offered are or may be materially limited or qualified by the rights evidenced by any other class of units or derivatives of units in the relevant business trust or by the provisions of any contract or other documents, include information regarding such limitation or qualification and its effect on the rights evidenced by the units or derivatives of units being offered.

7. With respect to securities or securities-based derivatives contracts other than units in the relevant business trust being offered, outline briefly the rights evidenced thereby as follows:

- (a) if subscription warrants or rights are offered —

- (i) provide a description of and state the amount of units or derivatives of units, as the case may be, which will be issued pursuant to the exercise of such warrants or rights;
 - (ii) state the amount of warrants or rights outstanding;
 - (iii) disclose the provisions for changes to or adjustments in the exercise price;
 - (iv) state the period during which and the price at which the warrants or rights are exercisable; and
 - (v) disclose any other material terms of such warrants or rights; and
- (b) where convertible units or rights to purchase units to be offered are subject to redemption or call —
- (i) describe the conversion terms of the units or material terms of the unit purchase rights, including whether the right to convert into or purchase the units will be forfeited unless it is exercised before the date specified in the notice of redemption or call;
 - (ii) state the expiration or termination date of the rights;
 - (iii) state the kind, frequency and timing of notice of the redemption or call, including where the notice will be published; and
 - (iv) in the case of bearer units, state that investors are responsible for making arrangements to prevent loss of the right to convert or purchase in the event of redemption or call.

Plan of Distribution

8. To the extent known to the trustee-manager of the relevant business trust, indicate whether any person intends to subscribe for more than 5% of the offering.

9. Identify any group of targeted potential investors to whom the units or derivatives of units, as the case may be, are being offered. If the offer is being made simultaneously in the markets of 2 or more countries and if a tranche has been or is being reserved for any of these countries, indicate any such tranche.

10. If the units or derivatives of units, as the case may be, in the relevant business trust are reserved for allotment or allocation to any group of targeted investors, for example, existing shareholders, directors, or employees or past employees of the trustee-manager, or a subsidiary or subsidiary entity, of the relevant business trust or existing unitholders of the relevant business trust, provide details of these and any other preferential allocation arrangements.

11. Indicate whether the amount of the units or derivatives of units, as the case may be, being offered can be increased, such as by the exercise of an underwriter's

over-allotment option or “greenshoe option”, and state the exercise period of and amount under such option.

12. Indicate the amount, and outline briefly the plan of distribution, of any units or derivatives of units, as the case may be, that are to be offered otherwise than through underwriters. If the units or derivatives of units are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

13. If the units or derivatives of units, as the case may be, are to be offered in connection with the writing of exchange-traded call options, describe briefly such transactions.

14. If simultaneously or almost simultaneously with the creation of units or derivatives of units, as the case may be, being offered —

- (a) units or derivatives of units in the relevant business trust which are of the same class are subscribed for or placed privately; or
- (b) units or derivatives of units in the relevant business trust which are of other classes are created for public or private placing,

provide details of the nature of such subscriptions or placings and of the number and characteristics of the units or derivatives of units to which they relate.

15. Unless otherwise described under paragraph 10 of Part XII of this Schedule, provide a summary of the features of the underwriting relationship together with the amount of units or derivatives of units, as the case may be, in the relevant business trust being underwritten by each underwriter. Include a statement as to whether the arrangement is one under which the underwriters are or will be committed to take and to pay for all of the units or derivatives of units, or an agency or “best efforts” type of arrangement under which the underwriters are required to take and to pay for only such units or derivatives of units as they may sell to the public.

Markets

16. Identify the securitiesapproved exchange or overseas ~~securities~~ exchange on which units or derivatives of units, as the case may be, in the relevant business trust of the same class as those being offered are already listed for quotation or quoted, or on which permission to list for quotation or quote the units or derivatives of units is being or is proposed to be sought.

17. When permission to list for quotation or quote on any securitiesapproved exchange or overseas ~~securities~~ exchange is being or is proposed to be sought in respect of the first-mentioned units or derivatives of units in paragraph 16 of this

Part, or the units or derivatives of units which are the subject of the current offer, state that fact without creating the impression that the application for permission will necessarily be approved. If known, provide the dates on which such units or derivatives of units will be listed for quotation or quoted and on which trading will commence.

Vendors

18. Provide the following information:

- (a) the name and address of the person (not being the trustee-manager of the relevant business trust acting in its capacity as trustee-manager of the relevant business trust) offering to sell the units or derivatives of units in the relevant business trust, as the case may be, and the nature of any position, office or other material relationship that such person has had with the trustee-manager of the relevant business trust or, if the relevant business trust is part of a group, with the group or the trustee-manager within the period of 3 years before the date of lodgment of the prospectus;
- (b) the number and class of units or derivatives of units, as the case may be, being offered by the person, and the percentage of the existing and the enlarged equity that such units constitute; and
- (c) the number and percentage of the units or derivatives of units, as the case may be, in the relevant business trust for each class of units or derivatives of units, as the case may be, in which the person has an interest, whether direct or deemed, both as of the latest practicable date and immediately after the offer.

Dilution

19. Where there is a substantial disparity between the public offer price and the effective cash cost to a director or substantial shareholder of the trustee-manager of the relevant business trust or a substantial unitholder of the relevant business trust, or his associate, of units or derivatives of units, as the case may be, acquired by him at any time during the period of 3 years before the date of lodgment of the prospectus, or which he has the right to acquire, provide a comparison of the public contribution in the proposed public offering and the effective cash contribution of such person.

20. Disclose the amount and percentage of immediate dilution resulting from the offer, computed as the difference between the offer price per unit and the net asset value per unit for the equivalent class of unit, as of the latest balance sheet date after adjusting for the effects of the offer, and any disposal or acquisition which occurred between the latest balance sheet date and the date of the registration of the prospectus by the Authority, on the net asset value per unit.

21. Where the information required in paragraphs 19 and 20 of this Part has been prepared using certain assumptions and after making certain adjustments on a pro forma basis, state such fact.

PART XII

ADDITIONAL INFORMATION

Unitholders' Equity

1. State the amount of unitholders' equity issued in respect of the relevant business trust as of the latest practicable date and, for each class of unitholders' equity, provide the following information:

- (a) the number of units issued and fully paid;
- (b) the number of units issued but not fully paid; and
- (c) a reconciliation of the number of units outstanding at the beginning and end of the most recent completed financial year.

2. If more than 10% of unitholders' equity has been paid for with assets other than cash within the period of 3 years before the date of lodgment of the prospectus, state that fact.

3. If there are units in the relevant business trust not representing unitholders' equity, state the number and main characteristics of such units.

4. Indicate the number and value of units in the relevant business trust held by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust), by some other entity on behalf of the relevant business trust, or by a subsidiary or subsidiary entity of the relevant business trust.

5. Where there is, in respect of the relevant business trust, an undertaking by the trustee-manager of the relevant business trust to increase the unitholders' equity, state —

- (a) the amount of such increase in unitholders' equity and, where appropriate, the duration of the undertaking;
- (b) the categories of persons having preferential subscription rights for such additional portions of unitholders' equity; and
- (c) the terms, arrangements and procedures for the unit issue corresponding to such portions.

6. Provide information regarding any units in the relevant business trust or, if the relevant business trust is part of a group, of any units in the relevant business trust or any securities or securities-based derivatives contracts of any entity in the

group which any person has, or has the right to be given, an option to subscribe for or purchase, including —

- (a) the identity of that person;
- (b) a description of and the amount of units covered by the option;
- (c) the purchase price of the option, if any;
- (d) the exercise price; and
- (e) the period during which the option is exercisable; or an appropriate negative statement.

7. Where the option or right referred to in paragraph 6 of this Part has been given, or it has been agreed that the option or right will be given, to —

- (a) all the unitholders of the relevant business trust;
- (b) all the unitholders of the relevant business trust or the holders of securities or securities-based derivatives contracts of any entity in a group, if the relevant business trust is part of such group; or
- (c) employees of the trustee-manager of the relevant business trust or, if the relevant business trust is part of a group, of any entity in the group or the trustee-manager of the relevant business trust under an employee's investment scheme,

it will be sufficient to record that fact without giving names.

8. Provide a history of unitholders' equity of the relevant business trust or, if the relevant business trust is part of a group, unitholders' equity of the relevant business trust and share capital or equity capital of each entity in the group for the period of 3 years before the latest practicable date, identifying any event during such period which has changed the amount of the issued unitholders' equity, share capital or equity capital, or the number and classes of units, shares or equity interests of which it was composed, together with a description of changes in voting rights attached to the various classes of units or shares during that time. Give details of the price and terms of any issue including particulars of any consideration that is not cash (including information regarding any discount, special term or instalment payment term). If there is no such issue, give an appropriate negative statement. Provide also the reason for any reduction of the amount of the unitholders' equity, share capital or equity capital and the ratio of capital reductions.

9. Provide an indication of the resolutions, authorisations and approvals by virtue of which any units or derivatives of units in the relevant business trust may be

issued, the nature and amount of the issue and the number of units or derivatives of units which may be issued, if predetermined.

Trust Deed of Relevant Business Trust

10. Provide the following information in respect of the relevant business trust:
 - (a) the registration number of the relevant business trust, if applicable; and
 - (b) a summary of the material provisions of the trust deed of the relevant business trust with respect to —
 - (i) the rights, preferences and restrictions attaching to each class of units;
 - (ii) any change in unitholders' equity;
 - (iii) any change in the respective rights of the various classes of units including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law;
 - (iv) any circumstances under which the trustee-manager of the relevant business trust may be indemnified out of the trust property of the relevant business trust;
 - (v) any circumstances under which the trustee-manager of the relevant business trust may exclude liability in relation to the carrying out of its duties with respect to the relevant business trust;
 - (vi) any time limit after which a distribution entitlement will lapse and an indication of the party in whose favour this entitlement then operates;
 - (vii) the removal of the trustee-manager of the relevant business trust and the appointment of a new trustee-manager of the relevant business trust; and
 - (viii) any change in the fees and charges payable to the trustee-manager of the relevant business trust.
11. Describe any limitation on the right to own units in the relevant business trust, including limitations on the right of non-resident or foreign unitholders to hold or exercise voting rights on the units imposed by law or by the trust deed of the relevant business trust, or state that there are no such limitations if that is the case.

Material Contracts

12. Provide a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the trustee-manager acting on behalf

of the relevant business trust or, if the relevant business trust is part of a group, the trustee-manager acting on behalf of the relevant business trust or any member of the group is a party, for the period of 2 years before the date of lodgment of the prospectus, including the parties to the contract, the date and general nature of the contract and the amount of any consideration passing to or from the trustee-manager acting on behalf of the relevant business trust or any member of the group, as the case may be.

Exchange Controls

13. Describe any governmental law, decree or regulatory requirement or any other requirement which may affect the repatriation of capital and the remittance of profits by or to the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust). Also, explain how they would impact on the availability of cash and cash equivalents for use by the trustee-manager (acting in its capacity as trustee-manager of the relevant business trust) and the remittance of distribution of profits, income or other payments by the trustee-manager to unitholders of the relevant business trust.

Taxation

14. Provide information regarding taxes (including withholding provisions) to which unitholders of the relevant business trust may be subject. If the relevant business trust is constituted outside Singapore, the information shall include whether the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) assumes responsibility for the withholding of tax at source and applicable provisions of any reciprocal tax treaties between the home country of the relevant business trust and Singapore, or a statement, if applicable, that there are no such treaties.

Distributions

15. Disclose any restriction on the distribution of profits, income or other payments by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) to the unitholders of the relevant business trust, the date on which the entitlement of the unitholders to such distribution arises, if known, and any procedure for the unitholders to claim the distribution.

Statement by Experts

16. Where a statement or report attributed to a person as an expert is included in the prospectus, provide such person's name, address and qualifications.

17. Where the prospectus contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert

—

- (a) state the date on which the statement was made;
- (b) state whether or not it was prepared by the expert for the purpose of incorporation in the prospectus; and
- (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the prospectus with the inclusion of the statement in the form and context in which it is included in the prospectus.

18. The information referred to in paragraphs 16 and 17 of this Part need not be provided in the prospectus if the statement attributed to an expert is a statement to which the exemption under regulation 17(1) is applicable.

Consents from Issue Managers and Underwriters

19. Where a person is named in the prospectus as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the prospectus as the issue manager or underwriter, as the case may be, to the offer.

Documents for Inspection

20. Provide a statement that for a period of at least 6 months from the date of registration by the Authority of the prospectus, the following documents (or copies thereof), where applicable, may be inspected at a specified place in Singapore:

- (a) the trust deed of the relevant business trust;
- (b) every material contract referred to in the prospectus or, where the contract is not reduced into writing, a memorandum giving full particulars thereof;
- (c) the service contracts of the directors of the trustee-manager of the relevant business trust referred to in the prospectus;
- (d) every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the prospectus;
- (e) if the relevant business trust is not part of a group, the audited financial statements of the relevant business trust for each of the financial years for which audited financial statements of the relevant business trust have been included in the prospectus;
- (f) if the relevant business trust is part of a group, the respective audited financial statements of the entities, businesses or business trusts in the group

(being entities, businesses or business trusts which have audited financial statements) for each of the financial years for which audited financial statements of the relevant business trust have been included in the prospectus;

- (g) if the relevant business trust is part of a pro forma group and pro forma financial statements have been included in the prospectus, the respective audited financial statements of the entities, businesses or business trusts in the pro forma group (being entities, businesses or business trusts which have audited financial statements), other than the entities, businesses or business trusts referred to in sub-paragraph (f), for the financial year in respect of which pro forma financial statements have been included in the prospectus;
- (h) any interim financial statements of the relevant business trust, group or pro forma group, as the case may be, which are included in the prospectus, whether or not pursuant to Part X of this Schedule;
- (i) in the case of a business trust constituted in Singapore, all notes, reports or information relating to the financial statements referred to in sub-paragraphs (e), (f), (g) and (h) which are required to be prepared under the Business Trusts Act (Cap. 31A); and
- (j) where the financial statements referred to in this paragraph have been restated pursuant to paragraph 8(b)(i) or 28(c)(ii)(A) of Part X of this Schedule, the restated annual financial statements and the audited annual financial statements which form the basis for the restated annual financial statements.

EIGHTEENTH SCHEDULE

~~[Deleted by S 186/2013 wef 02/04/2013]~~

Regulation ~~23~~0(1)

PARTICULARS TO BE INCLUDED IN AN OFFER INFORMATION STATEMENT UNDER SECTION 2~~7782ZB~~ OF THE ACT

~~[S 468/2012 wef 01/10/2012]~~

(91) Explanatory Note: The Fourth and Fifth Schedules of the Securities and Futures (Offer of Investments) (Business Trusts) (No. 2) Regulations 2005 have been incorporated under these regulations as the Seventeenth and Eighteenth Schedules. The proposed amendments to the Eighteenth Schedule are to replicate the amendments to the other schedules, where appropriate.

PART I

FRONT COVER

1. On the front cover of the offer information statement, provide —

(a) the date of lodgment of the offer information statement;

(b) the following statements:

(i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.”; ~~and~~

~~(ii)~~ (ii) “A copy of this offer information statement has been lodged with the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the offer information statement. Lodgment of the offer information statement with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the units or derivatives of units, as the case may be, being offered for investment.”; ~~and~~

~~(ii)(iii)~~ (iii) “As with all investment products, you should consider whether this is a suitable investment for yourself given your

investment objectives and risk appetite. You are responsible for your own investment choices.”.

- (c) the name of the business trust (referred to in this Schedule as the relevant business trust) in respect of which the units or derivatives of units are being offered, its place of constitution and the date of constitution;
- (d) the name of the trustee-manager of the relevant business trust, the place where the trustee-manager was incorporated and the date of incorporation;
- (e) a statement to the effect that an application has been or will be made to an securitiesapproved exchange to list for quotation or quote the units or derivatives of units being offered on that securitiesapproved exchange, and the name of such securitiesapproved exchange; and
- (f) a statement that no units or derivatives of units shall be allotted or allocated on the basis of the offer information statement later than 6 months after the date of lodgment of the offer information statement.

PART II

IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of each of the directors of the trustee-manager of the relevant business trust.

Advisers

2. Provide the names and addresses of —
 - (a) the issue manager to the offer, if any;
 - (b) the underwriter to the offer, if any; and
 - (c) the legal adviser for or in relation to the offer, if any.

Registrars and Agents

3. Provide the names and addresses of the registrars, transfer agents and receiving bankers for the units or derivatives of units, as the case may be, in the relevant business trust being offered, where applicable.

PART III

OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of units or derivatives of units, as the case may be, being offered.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to —

(a) the offer procedure; and

(b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.

4. State the method and time limit for paying up for the units or derivatives of units, as the case may be, in the relevant business trust and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

5. State, where applicable, the methods of and time limits for —

(a) the delivery of the documents evidencing title to the units or derivatives of units, as the case may be, being offered (including temporary documents of title, if applicable), to subscribers or purchasers; and

(b) the book-entry transfers of the units or derivatives of units, as the case may be, being offered in favour of subscribers or purchasers.

6. In the case of pre-emptive rights to subscribe for or purchase units or derivatives of units, as the case may be, being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

7. Provide a full description of the manner in which results of the allotment or allocation of the units or derivatives of units in the relevant business trust, as the case may be, are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

PART IV
KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust), indicate the amount that will be raised by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust). If none of the proceeds will go to the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust), provide a statement of that fact.

3. Disclose how the net proceeds raised by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors of the trustee-manager of the relevant business trust, must be raised by the offer of units or derivatives of units, as the case may be.

4. For each dollar of the proceeds from the offer that will be raised by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust), state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

5. If any material part of the proceeds to be raised by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) will be used, directly or indirectly, to acquire or refinance the acquisition of an asset, business or entity other than in the ordinary course of business, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition as well as the estimated completion date. Where funds have already been expended for the acquisition, state the amount which has been paid by the trustee-manager, or a subsidiary or subsidiary

entity, of the relevant business trust. If the asset, business or entity has been or will be acquired from an interested person of the relevant business trust, identify the interested person and state how the cost to the relevant business trust is or will be determined as well as whether the acquisition is on an arm's length basis.

6. ~~If any of the proceeds to be raised by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.~~

7. If any material part of the proceeds to be raised by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) will be used to discharge, reduce or retire the indebtedness of the trustee-manager of the relevant business trust arising from his acting on behalf of the relevant business trust or, if the relevant business trust is part of a group, of the group and the trustee-manager arising from his acting on behalf of the relevant business trust, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the trustee-manager of the relevant business trust acting in its capacity as trustee-manager of the relevant business trust. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.

Information on the Relevant Business Trust

9. Provide the following information:

- (a) the address and telephone and facsimile numbers of the registered office of the trustee-manager of the relevant business trust and the principal place of business of the trustee-manager (if different from those of its registered office);
- (b) the nature of the operations and principal activities of the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or, if the relevant business trust is part of a group, of the group;
- (c) the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant business trust or the group, as the case may be, since —

- (i) the end of the most recent completed financial year for which financial statements of the relevant business trust have been published; or
 - (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;
- (d) the unitholders' equity and loan capital of the relevant business trust, as at the latest practicable date, showing —
 - (i) in the case of the unitholders' equity, the total amount of units in the relevant business trust issued; or
 - (ii) in the case of the loan capital, the total amount of the debentures issued by the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) and outstanding, together with the rate of interest payable thereon;
- (e) the number of units in the relevant business trust owned by each substantial unitholder as at the latest practicable date;
- (f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant business trust or, where the relevant business trust is part of a group, of the group;
- (g) where any units or derivatives of units in the relevant business trust have been issued within the 12 months immediately preceding the latest practicable date —
 - (i) if the units or derivatives of units have been issued for cash, state the prices at which the units or derivatives of units have been issued and the number of units or derivatives of units issued at each price; or
 - (ii) if the units or derivatives of units have been issued for services, state the nature and value of the services and give the name and address of the person who received the units or derivatives of units; and
- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or a subsidiary or subsidiary entity of the relevant business trust is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the trustee-manager of the relevant business trust (acting in its capacity as

trustee-manager of the relevant business trust) or the subsidiary or subsidiary entity of the relevant business trust.

PART V

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from —

- (a) the audited income statement of the relevant business trust or, if the relevant business trust is part of a group, the audited consolidated income statement of the relevant business trust or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant business trust or, if the relevant business trust is part of a group, any interim consolidated income statement of the relevant business trust or interim combined income statement of the group, for any subsequent period for which that statement has been published.

2. The data referred to in paragraph 1 shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:

- (a) distributions declared per unit in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to distributions declared;
- (b) earnings or loss per unit; and
- (c) earnings or loss per unit, after any adjustment to reflect the sale of new units or derivatives of units.

2A. Notwithstanding paragraph 1 of this Part, where —

- (a) unaudited financial statements of the relevant business trust or, if the relevant business trust is part of a group, the audited consolidated income statement of the relevant business trust or the audited combined income statement of the group, have been published in respect of the most recent completed financial year; and
- (b) the audited financial statements for that year are unavailable,

the data referred to in paragraph 1 of this Part in respect of the most recent completed financial year may be provided from such unaudited financial statements, if the directors of the trustee-manager of the relevant business trust include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recent completed financial year.

3. In respect of —

- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant business trust or, if the relevant business trust is part of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant business trust or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

Financial Position

4. Provide selected data from the balance sheet of the relevant business trust or, if the relevant business trust is part of a group, the group as at the end of —

- (a) the most recent completed financial year for which audited financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period.

5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant business trust or the group, as the case may be, and shall in addition include the following items:

- (a) number of units after any adjustment to reflect the sale of new units or derivatives of units;
- (b) net assets or liabilities per unit; and
- (c) net assets or liabilities per unit after any adjustment to reflect the sale of new units or derivatives.

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —

- (a) the most recent completed financial year for which financial statements have been published; and
- (b) if interim financial statements have been published for any subsequent period, that period.

7. Provide a statement by the directors of the trustee-manager of the relevant business trust as to whether, in their reasonable opinion, the working capital available to the trustee-manager (acting in its capacity as trustee-manager of the relevant business trust) or, if the relevant business trust is part of a group, to the trustee-manager (acting in its capacity as trustee-manager of the relevant business trust) or to the group, as at the date of lodgment of the offer information statement, is sufficient for ~~present requirements~~ at least the next 12 months and, if insufficient, how the additional working capital considered by the directors to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgment of the prospectus shall not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an explicit condition of the offer that minimum net proceeds are to be raised and that the application monies will be returned to investors if the minimum net proceeds are not raised

8. If the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) or any entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the financial position and results or business operations of the relevant business trust, or the investments by holders of units or derivatives of units in the relevant business trust, provide —

- (a) a statement of that fact;
- (b) details of the credit arrangement or bank loan; and
- (c) any action taken or to be taken by the trustee-manager (acting in its capacity as trustee-manager of the relevant business trust) or entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).

Trend Information and Profit Forecast or Profit Estimate

9. Discuss ~~—, for at least the current financial year,~~

(a) the business and financial prospects of the relevant business trust or, if the relevant business trust is part of a group, the group, for the next 12 months from the latest practicable date, as well as; and

(a)(b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.

10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.

11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors of the trustee-manager of the relevant business trust have based their profit forecast or profit estimate, as the case may be.

12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant business trust as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted for the relevant business trust, and is presented in accordance with the accounting standards adopted for the relevant business trust in the preparation of its financial statements.

13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant business trust, provide in addition to the statement referred to in paragraph 12 of this Part —

(a) (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him —;

(i) that the profit forecast has been stated by the directors of the trustee-manager of the relevant business trust after due and careful enquiry and consideration; or

(i)(ii) to the effect that, on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

(b) a statement by an auditor of the relevant business trust, prepared on the basis of his examination of the evidence supporting the assumptions referred to

in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant business trust, provide in addition to the statement referred to in paragraph 12 of this Part —

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant business trust, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 9 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Significant Changes

15. Disclose any event that has occurred from the end of —

- (a) the most recent completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant business trust or, if the relevant business trust is part of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Meaning of “published”

16. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.

PART VI
THE OFFER AND LISTING

Offer and Listing Details

1. Indicate the price at which the units or derivatives of units, as the case may be, are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, state the method by which it is to be determined and explain how the final offer price will be made known to investors~~must be explained~~.

2. If there is no established market for the units or derivatives of units, as the case may be, being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

3. If —

- (a) any of the unitholders of the relevant business trust have pre-emptive purchase rights to subscribe for or purchase the units or derivatives of units being offered; and
- (b) the exercise of the rights by the unitholder is restricted, withdrawn or waived,

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

4. If units or derivatives of units, as the case may be, in the relevant business trust of the same class as those being offered are listed for quotation on any securities approved exchange —

- (a) in a case where the first-mentioned units or derivatives of units have been listed for quotation on the securities approved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned units or derivatives of units —
 - (i) for each of the last 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or

- (b) in a case where the first-mentioned units or derivatives of units have been listed for quotation on the securitiesapproved exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned units or derivatives of units —
 - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
 - (c) disclose any significant trading suspension that has occurred on the securitiesapproved exchange during the 3 years immediately preceding the latest practicable date or, if the units or derivatives of units have been listed for quotation for less than 3 years, during the period from the date on which the units or derivatives of units were first listed to the latest practicable date; and
 - (d) disclose information on any lack of liquidity, if the units or derivatives of units are not regularly traded on the securitiesapproved exchange.
5. Where the units or derivatives of units being offered are not identical to the units or derivatives of units already issued by the relevant business trust, provide —
- (a) a statement of the rights, preferences and restrictions attached to the units or derivatives of units being offered; and
 - (b) an indication of the resolutions, authorisations and approvals by virtue of which the trustee-manager of the relevant business trust (acting in its capacity as trustee-manager of the relevant business trust) may create or issue further units or derivatives of units, to rank in priority to or *pari passu* with the units or derivatives of units being offered.

Plan of Distribution

6. Indicate the amount, and outline briefly the plan of distribution, of the units or derivatives of units in the relevant business trust that are to be offered otherwise than through underwriters. If the units or derivatives of units are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

7. Provide a summary of the features of the underwriting relationship together with the amount of units or derivatives of units being underwritten by each underwriter.

PART VII

CONSENTS

Statements by Experts

1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.
2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert —
 - (a) state the date on which the statement was made;
 - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and
 - (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.
3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 17(2) or (3) applies.

Consents from Issue Managers and Underwriters

4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.

PART VIII

OTHER MATTERS

Other Matters

1. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly —
 - (a) the business operations or financial position or results of the relevant business trust; or
 - (b) investments by holders of units or derivatives of units in the relevant business trust.

Documents for Inspection

2. Provide a statement that for a period of at least 6 months from the date of lodgment of the offer information statement, the following documents (or copies thereof), where applicable, may be inspected at a specified place in Singapore:

- (a) the trust deed of the relevant business trust;
- (b) every material contract referred to in the offer information statement or, where the contract is not reduced into writing, a memorandum giving full particulars thereof; and
- (a)(c) every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the offer information statement.

PART IX

ADDITIONAL PARTICULARS REQUIRED FOR OFFER OF UNITS OR DERIVATIVES OF UNITS BY WAY OF RIGHTS ISSUE

1. Provide —

- (a) the particulars of the rights issue;
- (b) the last day and time for splitting of the provisional allotment of the units or derivatives of units, as the case may be, to be issued pursuant to the rights issue;
- (c) the last day and time for acceptance of and payment for the units or derivatives of units, as the case may be, to be issued pursuant to the rights issue;
- (d) the last day and time for renunciation of and payment by the renouncee for the units or derivatives of units, as the case may be, to be issued pursuant to the rights issue;
- (e) the terms and conditions of the offer of units or derivatives of units to be issued pursuant to the rights issue;
- (f) the particulars of any undertaking from the substantial unitholders of the relevant business trust to subscribe for their entitlements; and
- ~~(g)~~(a) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.

NINETEENTH SCHEDULE

Regulation 8A

INFORMATION THAT MAY BE INCORPORATED IN THE PROSPECTUS BY REFERENCE

Information on the Relevant Laws or Regulations

1. Information on relevant laws or regulations applicable to the relevant corporation or business trust (as the case may be), including such information as required under –

- (a) paragraph 2(e) of Part V of the Fifth Schedule;
- (b) paragraph 2(e) of Part V of the Sixth Schedule; and
- (c) paragraph 2(f) of Part V the Seventeenth Schedule.

Information on Directors, Key Executives and Employees

2. Information on directorships or equivalent positions held by directors, equivalent persons, key executives of the relevant corporation or entity or trustee-manager of the business trust (as the case may be), in the last five years, including such information as required under –

- (a) paragraph 1(b) of Part VII of the Fifth Schedule;
- (b) paragraph 1(b) of Part VII of the Sixth Schedule;
- (c) paragraph 1(b) of Part VI of the Seventh Schedule;
- (d) paragraph 1(b) of Part VI of the Tenth Schedule; and
- (e) paragraph 3(b) of Part VII of the Seventeenth Schedule.

3. For the purposes of paragraph 2, the directorships or equivalent positions held by directors, equivalent persons, key executives of the relevant corporation or entity or trustee-manager of the business trust (as the case may be) do not include the directorships or equivalent positions in the relevant corporation or entity or trustee-manager of the business trust.

Audited Financial Information

4. The audit report in respect of historical financial information which is presented in the prospectus, including such audit report as required under –

- (a) paragraph 13(a) of Part IX of the Fifth Schedule;
- (b) paragraph 11(a) of Part IX of the Sixth Schedule;

(c) paragraph 14(a) of Part VIII of the Seventh Schedule; ~~and~~
(d) paragraph 12(a) of Part VIII of the Tenth Schedule; and
(e) paragraph 13(a) of Part X of the Seventeenth Schedule.

Expert Reports

5. Reports issued by experts who have given their written consent under section 249 of the Act.

Constituent Documents

6. Constituent documents of the relevant corporation, entity or business trust.