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No. S 166

FINANCIAL ADVISERS ACT
(CHAPTER 110)

FINANCIAL ADVISERS
(AMENDMENT) REGULATIONS 2013

In exercise of the powers conferred by sections 57 and 104 of the Financial Advisers Act, the Monetary Authority of Singapore hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Financial Advisers (Amendment) Regulations 2013 and shall come into operation on 28th March 2013.

Deletion and substitution of regulation 14 and new regulation 14AA

2. Regulation 14 of the Financial Advisers Regulations (Rg 2) (referred to in these Regulations as the principal Regulations) is deleted and the following regulations substituted therefor:

“Duties of licensed financial adviser

14.—(1) A licensed financial adviser shall —

- (a) comply with all laws and rules governing the operations of the financial adviser; and
- (b) in a manner that is commensurate with the nature, scale and complexity of its business —
 - (i) implement, and ensure compliance with, effective written policies on all operational areas of the financial adviser, including the financial adviser’s financial policies, and accounting and internal controls; and
 - (ii) put in place compliance function and arrangements including specifying the roles and responsibilities of officers and employees of the financial adviser in helping to ensure its compliance with all applicable laws, codes

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- of conduct and standards of good practice in order to protect investors and reduce its 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 business activities of the financial adviser;
 - (iv) ensure that the business activities of the financial adviser are subject to compliance checks;
 - (v) set out in writing the limits of the discretionary powers of each officer, committee, sub-committee or other group of persons of the financial adviser empowered to commit the financial adviser to any financial undertaking or to expose the financial adviser to any reputational risk;
 - (vi) keep a written record of the steps taken by the financial adviser to monitor compliance with its policies, its accounting and operating procedures, and the limits on discretionary powers;
 - (vii) ensure the accuracy, correctness and completeness of any report, return or statement submitted by the financial adviser to the Authority; and
 - (viii) ensure effective controls and segregation of duties to mitigate potential conflicts of interest that may arise from the operations of the financial adviser.

(2) Any licensed financial adviser which contravenes paragraph (1) shall be guilty of an offence.

Criteria for determining if chief executive officer or director of licensed financial adviser has breached duties

14AA. For the purposes of section 57(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 a licensed financial adviser 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 financial adviser with each of the duties specified in regulation 14.”.

Amendment of regulation 41

3. Regulation 41 of the principal Regulations is amended by deleting the words “or 33(5)” in paragraph (b) and substituting the words “, 23G(4), 33(5) or 36(8)”.

Amendment of Second Schedule

4. The Second Schedule to the principal Regulations is amended —
- (a) by inserting, immediately after the words “By cheque” in the fourth column of item 1, the words “or in the manner specified by the Authority,”; and
 - (b) by inserting, immediately after the words “by cheque” in paragraphs (a) and (b)(i) in the fourth column of item 4, the words “or in the manner specified by the Authority,”.

*[G.N. Nos. S 76/2004; S 692/2004; S 362/2005; S 58/2007; S 274/2008;
S 716/2010; S 433/2011; S 383/2012]*

Made this 25th day of March 2013.

RAVI MENON
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Monetary Authority of Singapore.*

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