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SECURITIES AND FUTURES ACT  
(CHAPTER 289)

SECURITIES AND FUTURES  
(FINANCIAL AND MARGIN REQUIREMENTS FOR  
HOLDERS OF CAPITAL MARKETS SERVICES LICENCES)  
(AMENDMENT) REGULATIONS 2013

In exercise of the powers conferred by sections 86(3), 95(1)(b), 100, 337 and 341 of the Securities and Futures Act, the Monetary Authority of Singapore hereby makes the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) (Amendment) Regulations 2013 and shall come into operation on 3rd April 2013.

**Amendment of regulation 2**

2. Regulation 2 of the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations (Rg 13) (referred to in these Regulations as the principal Regulations) is amended —

(a) by deleting the definition of “adjusted net head office funds” and substituting the following definition:

““adjusted net head office funds”, in relation to the holder of a licence, means its net head office funds after deducting the applicable items specified in —

(a) an MAS notice that applies to the holder;  
and

(b) if a notice referred to in regulation 2C is given to the holder, that notice;”;

(b) by deleting the words “under paragraph 1 of the Second Schedule” in paragraphs (d) and (f) of the definition of “aggregate indebtedness”;

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- (c) by deleting the words “as defined in paragraph 4 of the Second Schedule” in paragraph (e) of the definition of “aggregate indebtedness”;
- (d) by inserting, immediately before the word “irredeemable” in paragraph (a)(ii) of the definition of “base capital”, the word “paid-up”;
- (e) by deleting the definitions of “commodity”, “counterparty”, “counterparty risk weight” and “customer” and substituting the following definition:
- ““customer” means a person —
- (a) on whose behalf the holder of a licence carries on or will carry on any regulated activity; or
- (b) with whom the holder of a licence enters or will enter into a transaction as principal —
- (i) for the sale or purchase of securities;
- (ii) for the sale or purchase of futures contracts; or
- (iii) in connection with leveraged foreign exchange trading;”;
- (f) by deleting the definitions of “derivative”, “equity security”, “financial resources” and “forward contract” and substituting the following definition:
- ““financial resources” has the meaning given to that expression in regulation 2A;”;
- (g) by deleting the definitions of “government securities” and “guideline issued by the Authority” and substituting the following definition:
- ““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,

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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;”;

(h) by deleting the definition of “investment grade”;

(i) by deleting the definitions of “market index of a recognised group B exchange” and “money market debt securities” and substituting the following definition:

““MAS notice” means a notice issued by the Authority under regulation 2B;”;

(j) by deleting the definition of “physical commodity”;

(k) by deleting the definition of “qualifying letter of credit” and substituting the following definitions:

““qualifying letter of credit” means any legally enforceable and irrevocable letter of credit that is —

- (a) made in favour of the approved exchange or designated clearing house (as the case may be) of which the holder of the licence concerned is a member;

- (b) issued by a bank approved by, and in a form acceptable to, the approved exchange or designated clearing house; and

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- (c) subject to such conditions or restrictions as the Authority, or the approved exchange or designated clearing house, may impose on the holder,

but does not include any letter of credit provided by the holder to the approved exchange or designated clearing house to satisfy the business rules or other requirements of the approved exchange or designated clearing house;

“qualifying subordinated loan” means a subordinated loan the terms of which are evidenced by a subordinated loan agreement between the holder of the licence concerned and a lender (referred to in this definition as the subordinated creditor) which expressly provides all of the following:

- (a) the subordinated loan has not less than 2 years to maturity at the time the loan is first drawn down;
- (b) that the subordinated creditor shall not claim or receive from the holder, by way of set-off or in any other manner, any subordinated loan repayment until after every senior debt has been paid or unless the holder has obtained the prior written approval of the Authority;
- (c) that the claims of the subordinated creditor are fully subordinated to the claims of all senior creditors;
- (d) an option for the holder to defer interest payment on the principal amount of the subordinated loan;
- (e) that the subordinated loan shall automatically be converted into capital to provide a cushion for losses to creditors if an appropriate reconstruction of the capital of the holder which is acceptable to the Authority has not been undertaken;

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- (f) that, in the event of any payment or distribution of assets of the holder, whether in cash, in kind or in securities (referred to in this definition as a distribution), upon any dissolution, winding-up, liquidation or reorganisation of the holder —
- (i) the senior creditors shall first be entitled to receive payment in full of the senior debts before the subordinated creditor receives any payment in respect of the subordinated debt; and
  - (ii) any distribution to which the subordinated creditor would be entitled but for the provisions of the subordinated loan agreement shall be made by the liquidator, Official Assignee in bankruptcy or any other person making the distribution directly to the senior creditors rateably according to their senior debts until they have been paid in full (taking into account other distributions to the senior creditors);
- (g) a term that if, notwithstanding paragraphs (b) to (f), any distribution is received by the subordinated creditor in respect of the subordinated debt, the distribution shall be paid over to the senior creditors for application rateably according to their senior debts until they have been paid in full (taking into account other distributions to the senior creditors) and, until such payment has been made in full, the distribution shall be held in trust for the senior creditors;
- (h) such terms as may be specified in the business rules of an approved exchange or a designated clearing house of which the holder is a member;

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- (i) that no subordinated creditor may demand the early or accelerated repayment of the subordinated loan;
  - (j) that the subordinated loan agreement is not subject to any cross-default or negative pledge;
  - (k) such other criteria as may be specified in or imposed by —
    - (i) an MAS notice applicable to the holder;
    - (ii) any notice given to the holder by the Authority; and
    - (iii) an approved exchange or a designated clearing house of which the holder is a member;”;
  - (l) by deleting the definitions of “Singapore Government securities” and “total risk requirement” and substituting the following definitions:
    - ““senior creditor”, in relation to a qualifying subordinated loan, means a creditor to whom a senior debt is owed;
    - “senior debt”, in relation to a qualifying subordinated loan, means a debt of the holder of the licence concerned that is outstanding at any time during the period in which the qualifying subordinated loan is outstanding;
    - “total risk requirement” means the amount required to address risks arising from the activities of the holder of a licence, being —
      - (a) such amount as specified in or computed in accordance with an MAS notice that applies to the holder;
      - (b) if a notice referred to in regulation 2C is given to the holder to substitute the amount referred to in paragraph (a) with another amount specified in or computed in accordance with that notice, the second-mentioned amount; or

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- (c) if a notice referred to in regulation 2C is given to the holder to supplement the amount referred to in paragraph (a) with another amount specified in or computed in accordance with that notice, the aggregate of both those amounts.”; and
- (m) by renumbering the regulation as paragraph (1) of that regulation, and by inserting immediately thereafter the following paragraph:

“(2) For the purposes of regulations 16, 17, 21(2)(b)(ii), 22(2)(b)(ii) and 23(a)(iii) and (b)(iii), where the total amount payable under qualifying letters of credit exceeds 50% of the total risk requirement of the holder, the amount in excess shall not be taken into account for determining the aggregate resources of the holder.”.

### **New regulations 2A, 2B and 2C**

3. The principal Regulations are amended by inserting, immediately after regulation 2, the following regulations:

#### **“Financial resources**

**2A.**—(1) In these Regulations, a reference to the financial resources of the holder of a licence is a reference to the sum of the following items in the latest available accounts of the holder, after deducting from those items such other items as may be specified in the MAS notice that applies to the holder and, if a notice referred to in regulation 2C is given to the holder, in that notice:

- (a) base capital;
- (b) paid-up irredeemable and cumulative preference share capital;
- (c) paid-up redeemable preference share capital;
- (d) revaluation reserves;
- (e) other reserves;
- (f) interim unappropriated profit; and
- (g) collective impairment allowances.

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(2) Without prejudice to the definition of any of those items in regulation 2, the items in paragraph (1)(a) to (g) are those items in the latest available accounts of the holder that meet such criteria as may be specified in the MAS notice that applies to the holder.

(3) If the sum of the items in paragraph (1)(b) and (c) is more than the item in paragraph (1)(a), the excess amount shall be disregarded in determining the financial resources of the holder for any purpose under these Regulations.

(4) Notwithstanding paragraphs (1) and (3) and subject to paragraph (5), the total of the excess amount referred to in paragraph (3), and the amounts of all qualifying subordinated loans of the holder that remain outstanding during a temporary period (referred to in this regulation as the total amount) may be included in the financial resources of the holder for that temporary period for any purpose under these Regulations, if (and only if) —

- (a) each temporary period in which the inclusion is made, and the aggregate of all the temporary periods in each calendar year in which the inclusion is made, do not exceed 90 days; and
- (b) immediately after the inclusion, the holder notifies the Authority and the approved exchange or designated clearing house of which the holder is a member (if applicable) of that fact.

(5) For the purposes of paragraph (4), where the total amount exceeds the amount of the item in paragraph (1)(a), the total amount shall be deemed to be the amount of the item in paragraph (1)(a).

### **MAS notices**

**2B.** The Authority may from time to time issue notices for the purposes of these Regulations, which shall be published on 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").

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**Variation of adjusted net head office funds, financial resources or total risk requirement**

**2C.** The Authority may, for the purpose of addressing the risks applicable to a particular holder of a licence, by notice in writing to the holder —

- (a) specify an amount of or a formula for computing the total risk requirement that is in substitution for or that supplements the amount specified in or computed in accordance with the MAS notice applicable to the holder;
- (b) specify items to be deducted from the items referred to in regulation 2A(1)(a) to (g) that are additional to those set out in the MAS notice applicable to the holder; or
- (c) specify items to be deducted from the adjusted net head office funds of the holder that are additional to those set out in the MAS notice applicable to the holder.”.

**Amendment of Part III**

**4.** Part III of the principal Regulations is amended —

- (a) by deleting the words “OR ADJUSTED NET CAPITAL” in the Part heading; and
- (b) by deleting the heading of Division 1.

**Deletion and substitution of regulation 5**

**5.** Regulation 5 of the principal Regulations is deleted and the following regulation substituted therefor:

**“Holder of licence**

**5.** In this Part, unless the context otherwise requires, a reference to the holder of a licence excludes one who only holds a licence to provide credit rating services.”.

**Amendment of regulation 5A**

**6.** Regulation 5A of the principal Regulations is amended —

- (a) by deleting the words “that is incorporated in Singapore,” in paragraph (1); and

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- (b) by deleting the words “under paragraph 1 of the Second Schedule” in paragraph (2)(a).

### **Amendment of regulation 6**

#### **7. Regulation 6 of the principal Regulations is amended —**

- (a) by deleting paragraph (2) and substituting the following paragraphs:

“(2) The holder of a licence shall compute its financial resources (if applicable) in accordance with regulation 2A and its total risk requirement in accordance with paragraph (2B) —

- (a) at such time and frequency as may be specified by the Authority by notice in writing; or
- (b) where the Authority does not so specify, at such time and frequency as may be necessary for determining whether at any time its financial resources falls below its total risk requirement.

(2A) The holder of a licence shall compute its adjusted net head office funds (if applicable) in accordance with the definition of “adjusted net head office funds” in regulation 2(1) and its total risk requirement in accordance with paragraph (2B) —

- (a) at such time and frequency as may be specified by the Authority by notice in writing; or
- (b) where the Authority does not so specify, at such time and frequency as may be necessary for determining whether at any time its adjusted net head office funds falls below its total risk requirement.

(2B) The holder of a licence shall compute its total risk requirement in accordance with the MAS notice that applies to him, any notice referred to in regulation 2C given to the holder, or both (whichever is applicable).”;

- (b) by deleting the words “paragraph (1)” in paragraphs (3) and (4) and substituting in each case the words “paragraph (1), (2) or (2A)”; and

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- (c) by deleting the regulation heading and substituting the following regulation heading:

**“Financial resources of holder of licence not to fall below total risk requirement”.**

### **Amendment of regulation 7**

- 8.** Regulation 7 of the principal Regulations is amended —

- (a) by deleting paragraph (2) and substituting the following paragraph:

“(2) If the Authority is notified by the holder under paragraph (1) or becomes aware that the financial resources or adjusted net head office funds (as the case may be) of the holder have fallen below 120% of its total risk requirement, the Authority may —

- (a) direct the holder to immediately do one or more of the following:

- (i) cease any increase in positions, securities financing, funds accepted for management and assets accepted for custody for any account carried by the holder;
- (ii) transfer all or part of any customer’s positions, margins, collateral, assets and accounts to one or more other holders of licences;
- (iii) operate its business in such manner and on such conditions as the Authority may impose;
- (iv) cease carrying on business in any or all of the regulated activities permitted under its licence until such time that the holder has demonstrated that its financial resources or adjusted net head office funds (as the case may be) are not less than 120% of the total risk requirement of the holder, except that the holder may continue trading for the purposes of liquidation only or if otherwise directed by the Authority; or

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- (b) revoke the licence of the holder under section 95(2) of the Act.”;
  - (b) by deleting the words “paragraph (3)” in paragraph (6) and substituting the words “paragraph (2)(a), (3)”; and
  - (c) by deleting the regulation heading and substituting the following regulation heading:

**“Where financial resources of holder of licence fall below 120% of total risk requirement”.**

### **Deletion of Divisions 2 and 3 of Part III**

9. Part III of the principal Regulations is amended by deleting Divisions 2 and 3.

### **Deletion and substitution of regulation 15**

10. Regulation 15 of the principal Regulations is deleted and the following regulation substituted therefor:

#### **“Holder of licence**

15. In this Part, unless the context otherwise requires, “holder of a licence” means a corporation which is one or more of the following:

- (a) the holder of a licence to deal in securities which is a member of a securities exchange, not including the holder of a licence —
  - (i) which does not carry any customer’s position, margin or account in its own books; and
  - (ii) which either —
    - (A) deals in securities only with accredited investors; or
    - (B) carries on the business of soliciting or accepting orders for the purchase or sale of any securities from any customer, and no other business;
- (b) the holder of a licence to trade in futures contracts which is a member of a futures exchange, not including the holder of a licence —
  - (i) which does not carry any customer’s position, margin or account in its own books; and

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- (ii) which either —
- (A) trades in futures contracts only with accredited investors; or
  - (B) carries on the business of soliciting or accepting orders for the purchase or sale of any futures contract from any customer, and no other business;
- (c) the holder of a licence which is a member of a designated clearing house,
- whether or not the corporation is also permitted to carry on business in any other regulated activity.”.

### **Deletion of regulation 18**

- 11.** Regulation 18 of the principal Regulations is deleted.

### **Amendment of regulation 20**

- 12.** Regulation 20 of the principal Regulations is amended —
- (a) by inserting, immediately after the words “paid-up ordinary share capital”, the words “or paid-up irredeemable and non-cumulative preference share capital”; and
  - (b) by inserting, immediately after the words “paid-up ordinary share capital” in the regulation heading, the words “or paid-up irredeemable and non-cumulative preference share capital”.

### **Amendment of regulation 21**

- 13.** Regulation 21 of the principal Regulations is amended —
- (a) by deleting the words “referred to in regulation 5” in paragraph (1);
  - (b) by deleting the words “redeem any redeemable preference share that is computed as part of the holder’s financial resources under paragraph 1(1) of the Second Schedule” in paragraph (2) and substituting the words “repay the principal of any preference share (other than any paid-up irredeemable and non-cumulative preference share capital) that is computed as part of the holder’s financial resources, through repurchase or redemption”;

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- (c) by inserting, immediately after the words “date of” in paragraph (2)(a) and (b), the words “repurchase or”;
  - (d) by deleting the words “and qualifying letters of credit” in paragraph (2)(b)(i); and
  - (e) by inserting, immediately after the words “such a” in paragraph (2)(c) and (d), the words “repurchase or”.

#### **Amendment of regulation 22**

**14.** Regulation 22(2) of the principal Regulations is amended by deleting the words “and qualifying letters of credit” in sub-paragraph (b)(ii).

#### **Amendment of regulation 23**

**15.** Regulation 23 of the principal Regulations is amended —

- (a) by deleting sub-paragraph (ii) of paragraph (a) and substituting the following sub-paragraph:
  - “(ii) the financial resources of the holder is less than 120% of the total risk requirement of the holder; or”;
- (b) by deleting sub-paragraph (iv) of paragraph (a);
- (c) by inserting, at the end of paragraph (b)(ii), the word “or”;
- (d) by deleting the word “; or” at the end of paragraph (b)(iii) and substituting a full-stop; and
- (e) by deleting sub-paragraph (iv) of paragraph (b).

#### **Amendment of regulation 24**

**16.** Regulation 24 of the principal Regulations is amended —

- (a) by deleting the words “or average adjusted net capital (as the case may be)” in paragraph (3)(a), (b) and (c);
- (b) by deleting the words “the Authority may specify in a guideline issued by the Authority” in paragraph (5) and substituting the words “may be specified in an MAS notice that applies to the holder or by a notice given to the holder by the Authority”;
- (c) by deleting the words “a guideline issued by the Authority” in paragraph (k) of the definition of “acceptable collateral”

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in paragraph (6) and substituting the words “an MAS notice applicable to the holder”; and

- (d) by deleting the definitions of “average adjusted net capital” and “ “financial resources” and “total risk requirement” ” in paragraph (6).

#### **Amendment of regulation 24B**

**17.** Regulation 24B(2) of the principal Regulations is amended by deleting the words “or 20% of its average adjusted net capital within the meaning of regulation 24(6), as the case may be” in sub-paragraph (b).

#### **Amendment of regulation 25**

**18.** Regulation 25 of the principal Regulations is amended —

- (a) by deleting the words “(as the case may be)” in paragraph (1) and substituting the words “(if applicable)”; and
- (b) by deleting paragraphs (2) and (3).

#### **Amendment of regulation 27**

**19.** Regulation 27 of the principal Regulations is amended —

- (a) by inserting, immediately after the words “aggregate indebtedness” in paragraph (1)(b), the words “, where applicable,”;
- (b) by deleting paragraphs (2) and (3);
- (c) by deleting the words “, (2) or (3) shall, in preparing any statement referred to in any of those paragraphs,” in paragraph (4) and substituting the words “shall, in preparing any statement referred to in that paragraph,”;
- (d) by deleting the words “Forms 9, 10 and 11” in paragraph (5) and substituting the words “Forms 7, 8 and 9”;
- (e) by deleting “, (2), (3)” in paragraph (6);
- (f) by deleting the words “Form 7” in paragraph (8) and substituting the words “Form 5”;
- (g) by deleting the words “Form 8” in paragraph (9) and substituting the words “Form 6”;

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- (h) by deleting the words “Form 6;” in paragraph (9)(a) and substituting the words “Form 3 and a statement relating to further information of the accounts of the holder in Form 4; and”;
  - (i) by deleting the semi-colon at the end of paragraph (9)(b) and substituting a full-stop; and
  - (j) by deleting sub-paragraphs (c), (d) and (e) of paragraph (9).

### **Deletion of Part VIII**

**20.** Part VIII of the principal Regulations is deleted.

### **Amendment of regulation 28A**

**21.** Regulation 28A of the principal Regulations is amended by deleting paragraphs (a) and (b) and substituting the following paragraphs:

- “(a) regulation 4(1), (1A) or (2), 6(1), (2), (2A) or (3), 7(1), (3) or (5)(a) or (b), 16(1) or (2), 17(1), (2) or (4)(a) or (b), 19(1), 20, 21(1) or (2), 22(1) or (2), 23, 24(1), (2) or (3), 24A(1) or (3), 25(1) or (4) or 26(2) or (3); or
- (b) any direction issued by the Authority under regulation 4(3)(a), 5A(1), 7(2)(a), (4)(b) or (4A) or 17(3)(b) or (3A),”.

### **Deletion of Second and Third Schedules**

**22.** The Second and Third Schedules to the principal Regulations are deleted.

### **Amendment of Fourth Schedule**

**23.** The Fourth Schedule to the principal Regulations is amended —

- (a) by deleting Tables 1 and 2;
- (b) by deleting the Table reference in Table 3 and substituting the following Table reference:
  - “Regulation 24(6)”;
- (c) by deleting the words “the Third Schedule and Tables 1, 9 and 17 of this Schedule,” in Table 3;

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- (d) by deleting the words “the Authority may specify in a guideline issued by the Authority” in Table 3 and substituting the words “may be specified in an MAS notice”;
  - (e) by deleting the Table reference of Table 4 and substituting the following Table reference:
    - “Regulation 24”;
  - (f) by deleting the words “the Third Schedule, and Tables 1, 5, 6 and 7 of this Schedule” in Table 4 and substituting the words “regulation 24”;
  - (g) by deleting the words “the Authority may specify in a guideline issued by the Authority” in Table 4 and substituting the words “may be specified in an MAS notice”; and
  - (h) by deleting Tables 5 to 17.

#### **Deletion of Fifth and Sixth Schedules**

**24.** The Fifth and Sixth Schedules to the principal Regulations are deleted.

#### **Savings and transitional provisions for existing holders of licence**

**25.—(1)** The requirements under regulation 4 of the principal Regulations (as modified by the amendment to the definition of “base capital” under regulation 2) shall not apply to a specified holder in the period commencing on 3rd April 2013 and ending on —

- (a) the expiry of 6 months after that date; or
- (b) the date of commencement of compliance referred to in paragraph (2) (if applicable),

whichever is the earlier; and regulation 4 of the principal Regulations as in force immediately before 3rd April 2013 shall continue to apply to the specified holder in that period.

(2) Where a specified holder wishes to comply with regulation 4 of the principal Regulations (as modified by the amendment to the definition of “base capital” under regulation 2) during the period referred to in paragraph (1)(a), the specified holder may do so by giving written notice to the Authority of this and the date from which he will commence such compliance, at least 14 days before that date.

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(3) Parts III to VII and regulation 28A of the principal Regulations (as amended by these Regulations) shall not apply to a specified holder in the period commencing on 3rd April 2013 and ending on —

- (a) the expiry of 24 months after that date; or
- (b) the date of commencement of compliance referred to in paragraph (4) (if applicable),

whichever is the earlier; and Parts III to VII and regulation 28A of the principal Regulations as in force immediately before 3rd April 2013 shall continue to apply to the specified holder in that period.

(4) Where a specified holder intends to comply with Parts III to VII and regulation 28A of the principal Regulations (as amended by these Regulations) during the period referred to in paragraph (3)(a), the specified holder may do so by giving written notice to the Authority of this and the date from which he will commence such compliance, at least 14 days before that date.

(5) In this regulation, “specified holder” means a holder of a licence which is granted under section 86 of the Act before 3rd April 2013.

### **Savings and transitional provisions for new holders of licence**

**26.**—(1) The requirements under regulation 4 of the principal Regulations (as modified by the amendment to the definition of “base capital” under regulation 2) shall not apply to a new holder in the period commencing on the date on which its application for a licence under section 84 of the Act is granted and ending on —

- (a) the expiry of 6 months after 3rd April 2013; or
- (b) the date of commencement of compliance referred to in paragraph (2) (if applicable),

whichever is the earlier; and regulation 4 of the principal Regulations as in force immediately before 3rd April 2013 shall continue to apply to the new holder in that period.

(2) Where a new holder wishes to comply with regulation 4 of the principal Regulations (as modified by the amendment to the definition of “base capital” under regulation 2) during the period referred to in paragraph (1)(a), the new holder may do so by giving written notice to the Authority of this and the date from which he will commence such compliance, at least 14 days before that date.

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(3) Parts III to VII and regulation 28A of the principal Regulations (as amended by these Regulations) shall not apply to a new holder in the period commencing on the date on which its application for a licence under section 84 of the Act is granted and ending on —

- (a) the expiry of 24 months after 3rd April 2013; or
- (b) the date of commencement of compliance referred to in paragraph (4) (if applicable),

whichever is the earlier; and Parts III to VII and regulation 28A of the principal Regulations as in force immediately before 3rd April 2013 shall continue to apply to the new holder in that period.

(4) Where a new holder intends to comply with Parts III to VII and regulation 28A of the principal Regulations (as amended by these Regulations) during the period referred to in paragraph (3)(a), the new holder may do so by giving written notice to the Authority of this and the date from which he will commence such compliance, at least 14 days before that date.

(5) In this regulation, “new holder” —

- (a) in the case of paragraphs (1) and (2), means a person, other than an existing exempt fund manager referred to in regulation 28 or an existing Registered Fund Management Company referred to in regulation 29, which has made an application under section 84 of the Act for a licence before 3rd April 2013 and the application is granted within 6 months after 3rd April 2013; and
- (b) in the case of paragraphs (3) and (4), means a person, other than an existing exempt fund manager referred to in regulation 28 or an existing Registered Fund Management Company referred to in regulation 29, which has made an application under section 84 of the Act for a licence before 3rd April 2013 and the application is granted within 24 months after 3rd April 2013.

### **Savings and transitional provisions for existing exempt fund managers**

**27.**—(1) Parts III to VII and regulation 28A of the principal Regulations (as amended by these Regulations) shall not apply to an existing exempt fund manager in the period commencing on the

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date on which its application for a licence for fund management under section 84 of the Act is granted and ending on —

- (a) the expiry of 24 months after 3rd April 2013; or
- (b) the date of commencement of compliance referred to in paragraph (2) (if applicable),

whichever is the earlier; and Parts III to VII and regulation 28A of the principal Regulations as in force immediately before 3rd April 2013 shall continue to apply to the existing exempt fund manager in that period.

(2) Where an existing exempt fund manager intends to comply with Parts III to VII and regulation 28A of the principal Regulations (as amended by these Regulations) during the period referred to in paragraph (1)(a), the existing exempt fund manager may do so by giving written notice to the Authority of this and the date from which it will commence such compliance, at least 14 days before that date.

(3) In this regulation, “existing exempt fund manager” means a corporation which —

- (a) immediately before 7th August 2012, was exempted under paragraph 5(1)(d) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10) in force immediately before that date, from the requirement to hold a licence for fund management; and

(b) has —

- (i) before 7th February 2013, applied to be registered under paragraph 5(7) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations as a Registered Fund Management Company and has been so registered; and subsequent to being so registered, applied before, on or after 3rd April 2013 for a licence for fund management under section 84 of the Act and the second-mentioned application is granted within 24 months after 3rd April 2013; or
- (ii) before 7th February 2013, applied for a licence for fund management under section 84 of the Act and

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the application is granted within 24 months after 3rd April 2013.

**Savings and transitional provisions for existing Registered Fund Management Company**

**28.**—(1) Parts III to VII and regulation 28A of the principal Regulations (as amended by these Regulations) shall not apply to an existing Registered Fund Management Company in the period commencing on the date on which its application for a licence for fund management under section 84 of the Act is granted and ending on —

- (a) the expiry of 24 months after 3rd April 2013; or
- (b) the date of commencement of compliance referred to in paragraph (2) (if applicable),

whichever is the earlier; and Parts III to VII and regulation 28A of the principal Regulations as in force immediately before 3rd April 2013 shall continue to apply to the existing Registered Fund Management Company in that period.

(2) Where an existing Registered Fund Management Company intends to comply with Parts III to VII and regulation 28A of the principal Regulations (as amended by these Regulations) during the period referred to in paragraph (1)(a), the existing Registered Fund Management Company may do so by giving written notice to the Authority of this and the date from which it will commence such compliance, at least 14 days before that date.

(3) In this regulation, “existing Registered Fund Management Company” means a corporation which —

- (a) immediately before 3rd April 2013, is a Registered Fund Management Company within the meaning of the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10); and
- (b) has at any time, whether before, on or after 3rd April 2013, applied for a licence for fund management under section 84 of the Act and the application is granted within 24 months after 3rd April 2013.

Made this 28th day of March 2013.

RAVI MENON,  
*Managing Director,*  
*Monetary Authority of Singapore.*

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