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SECURITIES AND FUTURES ACT 2001

SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (EXEMPTION FOR DEPOSITARY RECEIPTS) REGULATIONS 2023

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation and commencement
 2. Definitions
 3. Exemption
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In exercise of the powers conferred by section 337(1) of the Securities and Futures Act 2001, the Monetary Authority of Singapore makes the following Regulations:

Citation and commencement

1. These Regulations are the Securities and Futures (Offers of Investments) (Exemption for Depositary Receipts) Regulations 2023 and come into operation on 9 January 2023.

Definitions

2.—(1) In these Regulations —

“depository receipt” means an instrument that confers or represents a beneficial ownership interest in any underlying securities;

“rights issue depository receipt” means a depository receipt that is offered —

- (a) in connection with a rights issue undertaken by —
 - (i) the issuer of any underlying securities; or

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- (ii) where the underlying securities are instruments that are listed for quotation on the Stock Exchange of Thailand as Non-Voting Depository Receipts, the issuer of the shares to which those instruments relate; and
 - (b) to any existing holder of a depository receipt where the underlying securities of the depository receipt —
 - (i) have been previously issued by the issuer of the underlying securities of the rights issue depository receipt; and
 - (ii) are listed for quotation on a specified exchange;

“specified exchange” means —

- (a) a corporation declared by the Authority to be a recognised securities exchange in the Securities and Futures (Recognised Securities Exchange) Order 2018 (G.N. No. S 643/2018); or
- (b) the Stock Exchange of Thailand;

“underlying securities” means —

- (a) shares;
- (b) units of a business trust; or
- (c) any instrument that is listed for quotation on the Stock Exchange of Thailand as a Non-Voting Depository Receipt.

(2) For the purposes of these Regulations, an instrument confers or represents a beneficial ownership interest in underlying securities only if all of the following apply:

- (a) each instrument is issued in respect of a specified number of the underlying securities;
- (b) the issuer of the instrument holds, directly or indirectly, the underlying securities for the holder of the instrument, whether or not under a trust or a contractual arrangement;

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- (c) the holder of the instrument has the right to exchange the instrument for the underlying securities on the terms and conditions governing the instrument;
 - (d) the holder of the instrument is entitled to receive all or substantially all of the interest, dividends or other distributions that are paid or made in relation to the underlying securities, and any other financial benefits conferred on the holder of the underlying securities, whether in cash or otherwise;
 - (e) the issuer of the instrument undertakes not to pledge or to create any lien or encumbrance over the underlying securities that the issuer of the instrument holds,

whether or not the holder of the instrument is entitled to control the voting rights (if any) attached to the underlying securities.

Exemption

3. Subdivisions (2) and (3) of Division 1 of Part 13 (other than section 257) of the Act do not apply to an offer of securities that is an offer of depositary receipts where —

- (a) the depositary receipts are or will be listed for quotation or quoted on an approved exchange;
- (b) the depositary receipts are not issued or proposed to be issued pursuant to any agreement between the issuer of the depositary receipts and —
 - (i) the issuer of the underlying securities; or
 - (ii) where the underlying securities are instruments that are listed for quotation on the Stock Exchange of Thailand as Non-Voting Depositary Receipts, the issuer of the shares to which those instruments relate; and
- (c) in the case of depositary receipts that are not rights issue depositary receipts — all underlying securities of the depositary receipts have been previously issued and are listed for quotation on a specified exchange.

Made on 2 January 2023.

RAVI MENON
Managing Director,
Monetary Authority of Singapore.

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