
First published in the *Government Gazette*, Electronic Edition, on 8 June 2018 at 5 pm.

No. S 382

SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES
(OFFERS OF INVESTMENTS)
(SHARES AND DEBENTURES)
(AMENDMENT) REGULATIONS 2018

In exercise of the powers conferred by section 341 of the Securities and Futures Act, the Monetary Authority of Singapore makes the following Regulations:

Citation and commencement

1. These Regulations are the Securities and Futures (Offers of Investments) (Shares and Debentures) (Amendment) Regulations 2018 and come into operation on 9 July 2018.

Amendment of heading of Part II

2. Part II of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 (G.N. No. S 611/2005) (called in these Regulations the principal Regulations) is amended by inserting, immediately after the word “PROSPECTUS” in the Part heading, the words “AND ADVERTISEMENT”.

New regulation 6A

3. The principal Regulations are amended by inserting, immediately after regulation 6, the following regulation:

“Form and content requirements of product highlights sheet

6A.—(1) For the purposes of section 240AA(1)(a) of the Act, a product highlights sheet in respect of an offer of relevant securities that are asset-backed securities or structured notes that is made in or accompanied by a prospectus or profile statement

lodged with the Authority on or after 10 December 2018 under section 240(1)(a)(ii) or (4)(b) of the Act, must comply with the following requirements:

- (a) the product highlights sheet must —
 - (i) be in the form set out in Part 1 of the Seventeenth Schedule;
 - (ii) contain a rectangular side bar —
 - (A) appearing at the rightmost side of each page;
 - (B) of at least 180 millimetres in width and in the full length of each page;
 - (C) in the colour Pantone 109C; and
 - (D) containing the words “PRODUCT HIGHLIGHTS SHEET” that are oriented at 90 degrees clockwise, in typeface Arial, in font size 20-point, and in the colour black;
 - (iii) contain a description of the key features and risks of the relevant securities;
 - (iv) contain a glossary explaining the technical terms, if technical terms are used in the product highlights sheet;
 - (v) provide a fair and balanced view of the relevant securities;
 - (vi) comply with the following if the product highlights sheet does not contain any diagram or glossary:
 - (A) the product highlights sheet must not be more than 4 pages;
 - (B) each page of the product highlights sheet must not be larger than 297 millimetres in length and 210 millimetres in breadth (A4 paper size); and

-
-
- (vii) comply with the following if the product highlights sheet contains one or more diagrams or a glossary:
 - (A) the product highlights sheet must not be more than 8 pages;
 - (B) the number of pages of the product highlights sheet containing information that is not contained in any diagram or glossary must not be more than 4 pages;
 - (C) each page of the product highlights sheet must not be larger than 297 millimetres in length and 210 millimetres in breadth (A4 paper size);
 - (b) the information in the product highlights sheet, including footnotes and references, must —
 - (i) be clearly legible; and
 - (ii) be in a font size of at least 10-point Arial or an equivalent size of any other standard font type;
 - (c) the product highlights sheet must not —
 - (i) be false or misleading; or
 - (ii) contain any material information that differs in any material particular from the material information set out in the prospectus of the offer of the relevant securities.
- (2) Despite paragraph (1)(a)(i), the following aspects of the form mentioned in that paragraph may be modified:
- (a) the font colour of the content of the product highlights sheet, including any heading or subheading;
 - (b) the font type and font style of any word or number for the purpose of providing emphasis;
 - (c) the cell colour of any heading or subheading;
 - (d) the addition of one or more headings or subheadings.

(3) For the purposes of paragraph (1)(a)(vi) and (vii), where a product highlights sheet is printed on both sides of a sheet of paper, each sheet counts as 2 pages.

(4) Without limiting paragraph (1)(a)(v), examples of a product highlights sheet that does not provide a fair and balanced view of the relevant securities are set out in paragraph 1 of Part 2 of the Seventeenth Schedule.

(5) Without limiting paragraph (1)(c)(i), examples of a product highlights sheet that is false or misleading are set out in paragraph 2 of Part 2 of the Seventeenth Schedule.

(6) Despite paragraphs (1)(c)(i) and (5) (read with paragraph 2 of Part 2 of the Seventeenth Schedule), a product highlights sheet is not to be treated as false or misleading if the false or misleading information, or omission concerned in the product highlights sheet is not materially adverse from the point of view of the investor.

(7) In paragraph (1)(a)(vi) and (vii), “diagram” includes any graph, chart, flowchart, table or numerical explanation.”.

Deletion and substitution of regulations 16 and 17 and new regulation 17A

4. Regulations 16 and 17 of the principal Regulations are deleted and the following regulations substituted therefor:

“Requirements of advertisement or publication

16.—(1) For the purposes of sections 251(8)(d), 273(8A) and 277(7) of the Act, the requirements of an advertisement or a publication in respect of an offer or intended offer of securities that is disseminated or published on or after 10 December 2018 are as follows:

- (a) the advertisement or publication (as the case may be) is not false or misleading;
- (b) the advertisement or publication (as the case may be) provides a fair and balanced view of the securities;

-
-
- (c) the advertisement or publication (as the case may be) presents information in a clear manner, regardless of whether such information is in text or otherwise;
 - (d) where the advertisement or publication (as the case may be) appears in any medium of communication in visual form, the advertisement or publication (as the case may be) is clearly legible;
 - (e) where the advertisement or publication (as the case may be) appears in any electronic mail or website —
 - (i) the advertisement or publication (as the case may be) is in a font size of at least 10-point Times New Roman or any other standard font type that is visually equivalent to that font size; and
 - (ii) any footnote in the advertisement or publication (as the case may be) is not smaller than —
 - (A) where the font size of the word or statement to which the footnote relates is or is smaller than 20-point Times New Roman or any other standard font type that is visually equivalent to that font size — 10-point Times New Roman or any other standard font type that is visually equivalent to that font size;
 - (B) where the font size of the word or statement to which the footnote relates is larger than 20-point Times New Roman or any other standard font type that is visually equivalent to that font size but smaller than 29-point Times New Roman or any other standard font type that is visually equivalent to that font size — half the font size of that word or statement; or
 - (C) where the font size of the word or statement to which the footnote relates is

or is larger than 29-point Times New Roman or any other standard font type that is visually equivalent to that font size — 14-point Times New Roman or any other standard font type that is visually equivalent to that font size;

- (f) the advertisement or publication (as the case may be) contains the following statement:

“This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.”;

- (g) where the person disseminating or publishing, or causing the dissemination or publication of the advertisement or publication (as the case may be) is an entity, a manager of a trust or a trustee-manager of a business trust, the advertisement or publication (as the case may be) has been approved by the person specified in regulation 17 in the manner set out in that regulation prior to its dissemination or publication.

(2) In the case of an advertisement or a publication mentioned in section 251(8) of the Act that is broadcast by means of any radio, television or audiovisual broadcasting service, or shown in any cinema, the statements mentioned in section 251(8)(a) and (b) of the Act must be —

- (a) read audibly if the advertisement or publication (as the case may be) is in audio or audiovisual form; or
- (b) displayed for at least 5 seconds if the advertisement or publication (as the case may be) is only in visual form.

(3) Without limiting paragraph (1)(a), examples of an advertisement or a publication in respect of an offer or intended offer of securities that is false or misleading are set out in paragraph 1 of the Eighteenth Schedule.

(4) Without limiting paragraph (1)(b), examples of an advertisement or a publication in respect of an offer or intended offer of securities that does not provide a fair and balanced view of the securities are set out in paragraph 2 of the Eighteenth Schedule.

(5) Without limiting paragraph (1)(c), examples of an advertisement or a publication in respect of an offer or intended offer of securities that does not present information in a clear manner are set out in paragraph 3 of the Eighteenth Schedule.

(6) Without limiting paragraph (1)(d), examples of an advertisement or a publication in respect of an offer or intended offer of securities that is not clearly legible are set out in paragraph 4 of the Eighteenth Schedule.

Approval of advertisement or publication

17.—(1) For the purposes of regulation 16(1)(g), the advertisement or publication must be approved by —

- (a) the senior management of the person which disseminates or publishes, or causes the dissemination or publication, of the advertisement or publication, as the case may be;
- (b) an agent of the person mentioned in sub-paragraph (a); or
- (c) a committee of the person mentioned in sub-paragraph (a).

(2) For the purposes of paragraph (1)(a), the advertisement or publication is approved by the senior management of the person only if every member of the senior management —

- (a) is satisfied that the advertisement or publication (as the case may be) complies with the requirements mentioned in —
 - (i) regulation 16(1)(a) to (f); and

-
-
- (ii) if the advertisement or a publication (as the case may be) is one that is mentioned in section 251(8) of the Act, regulation 16(2);
 - (b) records the member's reasons for being so satisfied in writing; and
 - (c) gives written approval to the person for the dissemination or publication of the advertisement or publication (as the case may be), together with that member's reasons mentioned in sub-paragraph (b).
- (3) For the purposes of paragraph (1)(b), the advertisement or publication is approved by an agent of the person only if the agent —
- (a) is satisfied that the advertisement or publication (as the case may be) complies with the requirements mentioned in —
 - (i) regulation 16(1)(a) to (f); and
 - (ii) if the advertisement or a publication (as the case may be) is one that is mentioned in section 251(8) of the Act, regulation 16(2);
 - (b) records the agent's reasons for being so satisfied in writing; and
 - (c) gives written approval to the person for the dissemination or publication of the advertisement or publication (as the case may be), together with the agent's reasons mentioned in sub-paragraph (b).
- (4) For the purposes of paragraph (1)(c), the advertisement or publication is approved by a committee of the person only if every member of the committee —
- (a) is satisfied that the advertisement or publication (as the case may be) complies with the requirements mentioned in —
 - (i) regulation 16(1)(a) to (f); and

-
-
- (ii) if the advertisement or a publication (as the case may be) is one that is mentioned in section 251(8) of the Act, regulation 16(2);
 - (b) records the member's reasons for being so satisfied in writing; and
 - (c) gives written approval to the person for the dissemination or publication of the advertisement or publication (as the case may be), together with that member's reasons mentioned in sub-paragraph (b).
- (5) In this regulation —
- “agent”, in relation to a person (*A*), means another person (*B*) who —
- (a) may or may not be a member of the senior management of *A*; and
 - (b) is unanimously appointed (being an appointment that is recorded in writing) by all the members of the senior management of *A* to —
 - (i) determine whether an advertisement or a publication in respect of an offer or intended offer of securities complies with the requirements mentioned in —
 - (A) regulation 16(1)(a) to (f); and
 - (B) if the advertisement or publication (as the case may be) is one that is mentioned in section 251(8) of the Act, regulation 16(2); and
 - (ii) approve the dissemination or publication of the advertisement or publication (as the case may be) by *A*;

“committee”, in relation to a person, means a group of persons that —

- (a) comprises at least 2 persons, each of whom may or may not be a member of the senior management of the person; and
- (b) is unanimously appointed (being an appointment that is recorded in writing) by all members of the senior management of the person to —
 - (i) determine whether an advertisement or a publication in respect of an offer or intended offer of securities complies with the requirements mentioned in —
 - (A) regulation 16(1)(a) to (f); and
 - (B) if the advertisement or publication (as the case may be) is one that is mentioned in section 251(8) of the Act, regulation 16(2); and
 - (ii) approve the dissemination or publication of the advertisement or publication (as the case may be) by the person;

“member of the senior management” —

- (a) in relation to a person which is an entity, means a person for the time being holding the office of —
 - (i) chief executive officer or an equivalent person of the entity; or
 - (ii) executive director or an equivalent person of the entity,

and includes a person carrying out the duties of any such office if the office is vacant; and

- (b) in relation to a person which is a manager of a trust or a trustee-manager of a business trust, means a person for the time being holding the office of —

-
-
- (i) chief executive officer of the manager of the trust or the trustee-manager of the business trust (as the case may be), or an equivalent person of the manager of the trust or the trustee-manager of the business trust, as the case may be; or
 - (ii) executive director or an equivalent person of the manager of the trust or the trustee-manager of the business trust, as the case may be,

and includes a person carrying out the duties of any such office if the office is vacant.

Exemption from regulation 16(1)

17A.—(1) An advertisement or a publication in respect of an offer or intended offer of securities need not comply with regulation 16(1) if —

- (a) the advertisement or publication (as the case may be) is prepared by any of the following persons (each called in this regulation the preparer) for the person who disseminates or publishes, or causes the dissemination or publication of, the advertisement or publication, as the case may be:
 - (i) a specified financial adviser mentioned in paragraph (b) of the definition of “specified financial adviser” in regulation 2(1) of the Financial Advisers Regulations (Cap. 110, Rg 2);
 - (ii) a holder of a capital markets services licence; and
- (b) prior to the person disseminating or publishing, or causing the dissemination or publication of, the advertisement or publication, as the case may be —
 - (i) the preparer complies with the conditions in paragraph (2); and

-
-
- (ii) the preparer notifies the person in writing that the conditions in paragraph (2) are satisfied.
- (2) For the purpose of paragraph (1)(b), the conditions are —
- (a) where the preparer is a specified financial adviser mentioned in paragraph (1)(a)(i) —
- (i) the advertisement or publication (as the case may be) is a product advertisement within the meaning of regulation 2(1) of the Financial Advisers Regulations; and
- (ii) the preparer has complied with regulation 22(1) of those Regulations as if the preparer were the specified financial adviser who will disseminate or publish, or cause the dissemination or publication of, the advertisement or publication, as the case may be; or
- (b) where the preparer is a holder of a capital markets services licence —
- (i) the advertisement or publication (as the case may be) is a product advertisement within the meaning of regulation 2 of the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10); and
- (ii) the preparer has complied with regulation 46(1) of those Regulations as if the preparer were the holder who will disseminate or publish, or cause the dissemination or publication of, the advertisement or publication, as the case may be.”.

New Seventeenth and Eighteenth Schedules

5. The principal Regulations are amended by inserting, immediately after the Sixteenth Schedule, the following Schedules:

“SEVENTEENTH SCHEDULE

Regulation 6A(1)(a)(i), (4), (5) and (6)

**FORM OF PRODUCT HIGHLIGHTS SHEET FOR DEBENTURES IN
FORM OF ASSET-BACKED SECURITIES OR STRUCTURED NOTES**

PART 1

Prepared on: DD/MM/YY

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus¹.**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

NAME OF PRODUCT

Product type	[<i>Structured Note / Asset-backed Security</i>]	Issue Date	[●]
Issue Price	[●]	Maturity Date	[●]
Maximum loss	[●] [<i>in % term</i>]	Offer Period	[●]
Maximum gain	[●] [<i>in % term</i>]	Callable by issuer	[<i>Yes/No</i>]
Name of issuer	[●]	Capital Guaranteed	[<i>Yes/No</i>]
Buyback Frequency	Every Business Day / Every Monday etc.	Name of Guarantor (if applicable)	[●]

¹ The Prospectus comprises the Base Prospectus and the Pricing Statement registered by the MAS on DD/MM/YYYY and DD/MM/YYYY respectively. It is available for collection at [time and place] or accessible at [website address, if applicable].

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

- This product is only suitable for investors who:
 - *[State return objectives (for example, capital growth, income or capital preservation) which the product will be suitable for.]*
 - *[State if the principal will be at risk.]*
 - *[State how long investors should be prepared to hold the investment for, and highlight any lock-in periods or issuer-callable features.]*
 - *[State other key characteristics of the product which will help investors determine whether the product is suitable for them.]*

Example:

- The Notes are only suitable for investors who:
 - want regular income rather than capital growth;
 - are prepared to lose their principal investment if the issuer fails to repay the amount due under the Notes; and
 - are prepared to hold their investment for the full X years. However, after Y years the product may be callable by the issuer.

Further Information

Refer to the “[*Relevant Section*]” of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

[State key features of the product, such as the legal classification of the product, payoff and factors determining the payoff, underlying securities and whether and how they would affect the payoff, or whether there is any capital guarantee. Where appropriate, include one or more diagrams or illustrations explaining the features and structure of the product.]

Example:

- You are investing in a X-year equity-linked structured note in which you may receive quarterly coupons between W% and Y% per annum issued by [name of issuer of the Notes].
- During the term of the investment, the issuer agrees to pay you quarterly coupons which depend on the share price performance of:
 - **Company A**
 - **Company B**
 - **Company C.**
- The amount of coupons is calculated as follows:
 - [Formula for calculation of coupons].
- At maturity, the issuer agrees to pay you 100% of your principal investment, unless [list circumstances where investor may not receive 100% of principal investment].
- The product is secured by [type of underlying securities] issued by [name of issuer of underlying securities].

Refer to the “[*Relevant Section*]” of the Prospectus for further information on features of the product, including how the redemption amount is calculated.

Parties Involved	
<p><i>[State all parties involved in the structure of the product, such as issuer, arranger, derivative counterparty, derivative guarantors, issuer of underlying securities, trustee and custodian.]</i></p> <p>WHO ARE YOU INVESTING WITH?</p> <ul style="list-style-type: none"> ● The Notes are issued by <i>[name of issuer of the Notes]</i> and arranged by <i>[name of arranger of the Notes]</i>. <i>[Name of derivative counterparty]</i> is the swap counterparty of the Notes. <i>[Name of issuer of underlying securities]</i> is the issuer of the underlying securities of the Notes. ● The trustee of the Notes is <i>[Name of trustee]</i>. 	<p>Refer to the “[<i>Relevant Section</i>]” of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.</p>
Possible Outcomes	
<p>WHAT WOULD YOU GAIN OR LOSE IN DIFFERENT SITUATIONS?</p> <ul style="list-style-type: none"> ● Best case scenario: <ul style="list-style-type: none"> ○ <i>[Describe payoff to investor in best case scenario and factors that could lead to this scenario.]</i> ● Worst case scenario: <ul style="list-style-type: none"> ○ <i>[Describe payoff to investor in worst case scenario and factors that could lead to this scenario.]</i> ● Other possible scenarios: <ul style="list-style-type: none"> ○ <i>[Describe payoff to investor in other possible scenarios and factors that could lead to this scenario. Include scenario where issuer calls the debenture if applicable.]</i> 	

KEY RISKS	
<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p> <p><i>[State key risks which are either commonly occurring events, or which may cause significant losses if they occur, or both. While the risks may overlap into multiple categories below, there is no need to repeat the same risk in more than one section. Product-specific market or liquidity risks should be included under the market or liquidity risks section respectively. Where there is a risk that an investor may lose all of his initial principal investment, emphasise this with bold or italicised formatting.]</i></p> <p>These risk factors may cause you to lose some or all of your investment:</p>	<p>Refer to the “[<i>Relevant Section</i>]” of the Prospectus for further information on risks.</p>
Market and Credit Risks	
<p><i>[State market risks (including currency risks) and counterparty risks which may result in the loss of capital or affect the payoff of the investment and their consequences.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> ● You are exposed to the credit risk of [name of issuer]. <ul style="list-style-type: none"> ○ The Notes are debt obligations of [name of issuer]. If [name of issuer] is unable to fulfil its obligations under the Notes, <u>you may lose all your principal investment.</u> 	

Liquidity Risks	
<p><i>[State the risks that an investor would face in trying to exit the product. For example, limitations on redemption or factors that may delay the payment of redemption proceeds.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> ● The Notes are not listed and have limited liquidity. <ul style="list-style-type: none"> ○ The Notes are not listed on any exchange and have limited secondary market. You should be prepared to have your principal investment locked in for X years. If you exit from your investment before maturity, <u>you may receive an amount which is substantially less than your principal.</u> 	
Product-Specific Risks	
<p><i>[State product structure-related risks which may result in adverse consequences, including capped upside potential, unfavourable pricing if redeemed before maturity and potential legal risks.]</i></p> <p>Example:</p> <ul style="list-style-type: none"> ● The issuer is established overseas. <ul style="list-style-type: none"> ○ If the issuer becomes insolvent or is the subject of a winding-up or liquidation order or similar proceedings, the insolvency laws in the country in which it is incorporated would apply. The process of making a claim under the foreign law may be complex and time consuming. ● The underlying securities are held overseas. <ul style="list-style-type: none"> ○ There may be difficulties realising the underlying securities which are held overseas. Even if the underlying securities are realised, the foreign law may not recognise that the payments to you should be made before other claimants and creditors. ● If the issuer has to redeem the Notes early, due to taxation and other reasons, <u>you may receive less than your principal investment.</u> 	

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

[State all fees and charges paid or payable to distributors and product providers. If product providers do not charge a fee, describe briefly how product providers will profit from the sale of the Notes. Indicate if the fees are payable once-off or on a recurring basis. If fees may later be increased or new fees introduced, such as fees related to the unwinding of investments, state so here.]

Example:

- The issuer pays each distributor a commission of 3% of the total amount sold by each distributor.
- While you do not pay any fee to the issuer, the arranger and its related parties make a profit through the structuring of the Notes. This profit is factored into the risk and return of the Notes.

Refer to the “[*Relevant Section*]” of the Prospectus for further information on fees and charges.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

[State how often and where valuations are published. For example, provide a website address or the name of local newspapers where the valuation is published.]

Refer to the “[*Relevant Section*]” of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

[State the length of the cancellation period, if any, and describe how investors can exit from the investment if they change their mind within the cancellation period and the relevant costs. If there is no cancellation period, state so clearly. Subsequent to the cancellation period, describe how investors can exit from the investment and the relevant costs involved.]

CONTACT INFORMATION	
<p>HOW DO YOU CONTACT US?</p> <p><i>[State the contact details of the issuers or distributors whom investors can contact if they have enquiries. Include a website address and email address, if appropriate.]</i></p>	

PART 2

PRODUCT HIGHLIGHTS SHEET

1. For the purposes of regulation 6A(4), each of the following product highlights sheets relating to an offer of relevant securities does not provide a fair and balanced view of the relevant securities:

- (a) a product highlights sheet that contains a statement on any return of the principal sum invested in the relevant securities, or benefit of holding the relevant securities, but —
 - (i) does not provide an unbiased description of risks associated with the relevant securities; or
 - (ii) does not give a proportionate level of prominence to any warning, disclaimer or qualification which is disclosed in relation to that statement;
- (b) a product highlights sheet relating to relevant securities that are structured with the objective of returning the full principal sum invested in the relevant securities to a holder of those relevant securities upon the maturity of those relevant securities, but where the return of the full principal sum invested in the relevant securities at maturity is not unconditionally guaranteed, and the product highlights sheet does not contain a statement which clearly highlights the fact that the return of the full principal sum invested in the relevant securities at maturity is not unconditionally guaranteed;
- (c) a product highlights sheet that contains a representation that the return of all or a part of the principal sum invested in the relevant securities, or the rate of return on the relevant securities is guaranteed, but —

-
-
- (i) does not state the name of the guarantor; or
 - (ii) does not contain a statement that clearly highlights that while there is a guarantor who guarantees the return of all or a part of the principal sum invested in the relevant securities, or the rate of return on the relevant securities, there is no assurance that the guarantor will be able to fulfil its obligations under such guarantee;
- (d) a product highlights sheet that contains historical information on the relevant securities, but does not contain a statement that the information presented is historical information and that the past performance of the relevant securities is not indicative of its future performance;
 - (e) a product highlights sheet that gives the impression that an investor can profit from investing in the relevant securities without any risk;
 - (f) a product highlights sheet that suggests that the nature of the relevant securities is, or is comparable to, a deposit;
 - (g) a product highlights sheet relating to relevant securities of which the return of the principal sum invested in the relevant securities or the rate of return on the relevant securities is not guaranteed, but suggests that any of the following risks is low or nil:
 - (i) the risk of the holder of the relevant securities losing the holder's principal sum invested;
 - (ii) the risk of the holder of relevant securities not achieving the stated, targeted or expected rate of return of the holder's principal sum invested.
2. For the purposes of regulation 6A(5), each of the following product highlights sheets relating to an offer of relevant securities is false or misleading:
- (a) a product highlights sheet that omits any material information on the relevant securities and as a result of which, the product highlights sheet or any part of the product highlights sheet is false or misleading;
 - (b) a product highlights sheet that contains a false or misleading statement on the offer of relevant securities;

-
-
- (c) a product highlights sheet that contains information that cannot be justified based on the facts known to the person making the offer of the relevant securities;
 - (d) a product highlights sheet that contains any information, in text or otherwise, that is inaccurate or inconsistent with the nature or risks of the relevant securities;
 - (e) a product highlights sheet that contains any exaggerated statement, which is calculated to exploit an individual's lack of experience and knowledge;
 - (f) a product highlights sheet that contains information which is inconsistent with any information provided by the offeror of the relevant securities to the person publishing or disseminating the product highlights sheet;
 - (g) a product highlights sheet that contains or refers to any graph, chart, formula or other device, and represents directly or indirectly, that —
 - (i) the graph, chart, formula or device (as the case may be) can, in and of itself, be used to determine which relevant securities to buy or sell, or when to buy or sell such relevant securities; or
 - (ii) the graph, chart, formula or device (as the case may be) will assist any person in deciding which relevant securities to buy or sell, or when to buy or sell such relevant securities,but does not prominently disclose the limitations, and difficulties in respect of the use, of the graph, chart, formula or device, as the case may be;
 - (h) a product highlights sheet that contains any statement to the effect that any report, analysis or other service will be furnished free or without charge, and such report, analysis or service is not in fact or will not in fact be furnished in its entirety and without any condition or obligation.

EIGHTEENTH SCHEDULE

Regulation 16(3) to (6)

ADVERTISEMENT OR PUBLICATION

1. For the purposes of regulation 16(3), each of the following advertisements or publications in respect of an offer or intended offer of securities is false or misleading:

-
-
- (a) an advertisement or a publication that omits any material information and as a result of which, the advertisement or publication (as the case may be) or any part of the advertisement or publication (as the case may be) is false or misleading;
 - (b) an advertisement or a publication that contains a false or misleading statement;
 - (c) an advertisement or a publication that contains information that cannot be justified based on the facts known to the person who disseminated or published the advertisement or publication (as the case may be), or caused the advertisement or publication (as the case may be) to be disseminated or published;
 - (d) an advertisement or a publication that contains any information, in text or otherwise, that is inaccurate or inconsistent with the nature or risks of the securities;
 - (e) an advertisement or a publication that contains any exaggerated statement which is calculated to exploit an individual's lack of experience and knowledge;
 - (f) an advertisement or a publication that contains information which is inconsistent with any information provided by the issuer of the securities to the person who disseminated or published the advertisement or publication (as the case may be), or caused the advertisement or publication (as the case may be) to be disseminated or published;
 - (g) an advertisement or a publication that contains or refers to any graph, chart, formula or other device and represents directly or indirectly, that —
 - (i) the graph, chart, formula or device (as the case may be) can, in and of itself, be used to determine which securities to buy or sell, or when to buy or sell securities; or
 - (ii) the graph, chart, formula or device (as the case may be) will assist any person in deciding which securities to buy or sell, or when to buy or sell securities,but does not prominently disclose the limitations, and difficulties in respect of the use, of the graph, chart, formula or device, as the case may be;
 - (h) an advertisement or a publication that contains any statement to the effect that any report, analysis or other service will be furnished free or without charge, and such report, analysis or service is not in

fact or will not in fact be furnished in its entirety without any condition or obligation.

2. For the purposes of regulation 16(4), each of the following advertisements or publications in respect of an offer or intended offer of securities does not provide a fair and balanced view of the securities:

- (a) an advertisement or a publication that contains a statement on any return of the principal sum invested in the securities, or benefit of holding those securities, but —
 - (i) does not provide an unbiased description of risks associated with the securities; or
 - (ii) does not give a proportionate level of prominence to any warning, disclaimer or qualification which is disclosed in relation to that statement;
- (b) an advertisement or a publication that is in respect of securities that are structured with the objective of returning the full principal sum invested in the securities to a holder of the securities upon the maturity of the securities, but where the return of the full principal sum invested in the securities at maturity is not unconditionally guaranteed, and the advertisement or publication (as the case may be) does not contain a statement which clearly highlights the fact that the return of the full principal sum invested in the securities at maturity is not unconditionally guaranteed;
- (c) an advertisement or a publication that contains a representation that the return of all or a part of the principal sum invested in the securities, or the rate of return on the securities is guaranteed, but —
 - (i) does not state the name of the guarantor; or
 - (ii) does not contain a statement that clearly highlights that while there is a guarantor who guarantees the return of all or a part of the principal sum invested in the securities, or the rate of return on the securities, there is no assurance that the guarantor will be able to fulfil its obligations under such guarantee;
- (d) an advertisement or a publication that contains historical information on the securities, but does not contain a statement that the information presented is historical information and that the past performance of the securities is not indicative of its future performance;

-
-
- (e) an advertisement or a publication that gives the impression that an investor can profit from investing in the securities without any risk;
 - (f) an advertisement or a publication that suggests that the nature of the securities is, or is comparable to, a deposit;
 - (g) an advertisement or a publication that is in respect of securities of which the return of the principal sum invested in the securities or the rate of return on the securities is not guaranteed, but suggests that any of the following risks is low or nil:
 - (i) the risk of the holder of the securities losing the holder's principal sum invested;
 - (ii) the risk of the holder of the securities not achieving the stated, targeted or expected rate of return of the holder's principal sum invested.

3. For the purposes of regulation 16(5), each of the following advertisements or publications in respect of an offer or intended offer of securities does not present information in a clear manner:

- (a) an advertisement or a publication in respect of an offer or intended offer of securities that presents information (including information in footnotes) in a manner that is not easily understood by —
 - (i) in a case where the advertisement or publication (as the case may be) states the class of persons for whom the advertisement or publication (as the case may be) is intended, a reasonable person belonging to that class of persons; and
 - (ii) in any other case, a reasonable person who may rely on the advertisement or publication, as the case may be;
- (b) an advertisement or a publication that contains any jargon or technical term, but does not define or explain such jargon or term in a manner that is easily understood by —
 - (i) in a case where the advertisement or publication (as the case may be) states the class of persons for whom the advertisement or publication (as the case may be) is intended, a reasonable person belonging to that class of persons; and
 - (ii) in any other case, a reasonable person who may rely on the advertisement or publication, as the case may be.

4. For the purposes of regulation 16(6), each of the following advertisements or publications in respect of an offer or intended offer of securities is not clearly legible:

- (a) an advertisement or a publication that appears in any document in written or printed form, including any newspaper, periodical, magazine or letter, which —
 - (i) presents information in a font size that is smaller than 10-point Times New Roman, or any other standard font type that is visually equivalent to that font size; or
 - (ii) presents information in any footnote in a font size that is smaller than —
 - (A) where the font size of the word or statement to which the footnote relates is or is smaller than 20-point Times New Roman or any other standard font type that is visually equivalent to that font size — 10-point Times New Roman or any other standard font type that is visually equivalent to that font size;
 - (B) where the font size of the word or statement to which the footnote relates is larger than 20-point Times New Roman or any other standard font type that is visually equivalent to that font size but smaller than 29-point Times New Roman or any other standard font type that is visually equivalent to that font size — half the font size of that word or statement; or
 - (C) where the font size of the word or statement to which the footnote relates is or is larger than 29-point Times New Roman or any other standard font type that is visually equivalent to that font size — 14-point Times New Roman or any other standard font type that is visually equivalent to that font size;
- (b) an advertisement or a publication that appears in a form, other than a document mentioned in sub-paragraph (a), which presents information in any footnote in a font size that is smaller than half the font size of the word or statement to which the footnote relates.

5. In this Schedule, unless the context otherwise requires —

“bank” means a bank in Singapore or a merchant bank;

“bank in Singapore” has the same meaning as in section 2(1) of the Banking Act (Cap. 19);

“deposit” means —

- (a) where the deposit is accepted by a bank, a deposit as defined in section 4B(4) of the Banking Act; or
- (b) where the deposit is accepted by a finance company, a deposit as defined in section 2 of the Finance Companies Act (Cap. 108);

“finance company” has the same meaning as in section 2 of the Finance Companies Act;

“merchant bank” means a merchant bank that is approved as a financial institution under section 28 of the Monetary Authority of Singapore Act (Cap. 186).”

[G.N. Nos. S 271/2009; S 470/2012; S 169/2013; S 186/2013; S 11/2014; S 890/2014; S 806/2017]

Made on 6 June 2018.

RAVI MENON
Managing Director,
Monetary Authority of Singapore.

[CFC CFD 056/2016 PT 2; AG/LEGIS/SL/289/2015/36 Vol. 1]