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No. S 383

FINANCIAL ADVISERS ACT (CHAPTER 110)

FINANCIAL ADVISERS (AMENDMENT) REGULATIONS 2012

In exercise of the powers conferred by sections 23, 100 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 2012 and shall come into operation on 7th August 2012.

Amendment of regulation 2

2. Regulation 2(1) of the Financial Advisers Regulations (Rg 2) (referred to in these Regulations as the principal Regulations) is amended by deleting the full-stop at the end of the definition of “paid-up capital” and substituting a semi-colon, and by inserting immediately thereafter the following definition:

“ “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 to the Securities and Futures (Licensing and Conduct of Business) Regulations (Cap. 289, Rg 10).”.

Amendment of regulation 4

3. Regulation 4(1) of the principal Regulations is amended by deleting the words “ “Regulations and Licensing” ” and substituting the words “ “Regulations and Financial Stability”, “Regulations, Guidance and Licensing”, “Financial Advisers” ”.

Amendment of regulation 14

4. Regulation 14 of the principal Regulations is amended —
(a) by deleting the word “and” at the end of paragraph (d); and

(b) by deleting the full-stop at the end of paragraph (e) and substituting the word “; and”, and by inserting immediately thereafter the following paragraph:

“(f) ensured effective controls and segregation of duties to mitigate potential conflicts of interest that may arise from the operations of the financial adviser.”.

Amendment of regulation 27

5. Regulation 27 of the principal Regulations is amended —
- (a) by inserting, at the end of paragraph (1)(d), the word “or”;
 - (b) by deleting the word “; or” at the end of paragraph (1)(e) and substituting a full-stop;
 - (c) by deleting sub-paragraph (f) of paragraph (1);
 - (d) by deleting paragraph (3) and substituting the following paragraph:

“(3) A person referred to in paragraph (1)(d) which is exempt from the requirement to hold a capital markets services licence to carry on business in fund management under paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations shall not be, or shall cease to be, exempt from holding a financial adviser’s licence under section 23(1)(f) of the Act if —

- (a) the aggregate of the number of qualified investors on behalf of which it carries on business in fund management and the number of accredited investors to which it provides financial advisory services exceeds 30 in total;
- (b) more than 15 of the qualified investors on behalf of which it carries on business in fund management are collective investment schemes, closed-end funds, or limited partnerships referred to in paragraph 5(3)(e) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations; or
- (c) the total value of its managed assets (as defined in paragraph 5(7K) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations) exceeds \$250 million.”;

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- (e) by deleting the words “paragraph (1)(a), (b), (c), (d), (e) or (f)” in paragraph (5) and substituting the words “paragraph (1)(a), (b), (c), (d) or (e)”;
 - (f) by deleting the words “paragraph (1)(c), (d), (e) or (f)” in paragraph (6) and substituting the words “paragraph (1)(c), (d) or (e)”; and
 - (g) by deleting the words “paragraph (1)(a), (b), (c), (d), (e) or (f)” in paragraph (7) and substituting the words “paragraph (1)(a), (b), (c), (d) or (e)”.

Deletion and substitution of regulation 32A

6. Regulation 32A of the principal Regulations is deleted and the following regulation substituted therefor:

“Exemption for Registered Fund Management Company

32A. A Registered Fund Management Company shall be exempt under section 23(1)(f) of the Act from holding a financial adviser’s licence in respect of the marketing of any collective investment scheme that is managed by it in the course of carrying on a business in fund management for accredited investors or institutional investors for which it is exempted from the requirement to hold a capital markets services licence under paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations.”.

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

Made this 1st day of August 2012.

RAVI MENON
Managing Director,
Monetary Authority of Singapore.

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