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## No. S 62

### FINANCIAL ADVISERS ACT 2001

#### FINANCIAL ADVISERS (AMENDMENT) REGULATIONS 2025

In exercise of the powers conferred by sections 130 and 135(1) of the Financial Advisers Act 2001, the Monetary Authority of Singapore makes the following Regulations:

#### **Citation and commencement**

1. These Regulations are the Financial Advisers (Amendment) Regulations 2025 and come into operation on 24 January 2025.

#### **Amendment of regulation 2**

2. In the Financial Advisers Regulations (Rg 2) (called in these Regulations the principal Regulations), in regulation 2(1) —

(a) before the definition of “accredited investor”, insert —

““accounting standards” means the accounting standards made or formulated by the Accounting Standards Committee under Part 3 of the Accounting Standards Act 2007;”;

(b) after the definition of “approved exchange”, insert —

““associate”, in relation to an entity (called in this definition the first entity), means —

(a) any entity in which the first entity controls the composition of the board of directors or such corresponding officers as may be prescribed;

(b) any entity in which the first entity controls more than half of the voting power or such measure

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corresponding to voting power as may be prescribed;

- (c) any entity in which the first entity holds more than half of the total number of issued shares or such corresponding interest as may be prescribed;
- (d) a subsidiary of any other entity which is an associate by reason of paragraph (a), (b) or (c);
- (e) any entity (called in this paragraph the second entity) in which —
  - (i) the first entity; or
  - (ii) any entity which is an associate by reason of paragraph (a), (b), (c) or (d),

has, or the entities in sub-paragraphs (i) and (ii) together have, an interest in shares entitling the beneficial owners of those interests the right to cast (whether by proxy or in person) not less than 20% but not more than 50% of the total votes able to be cast at a general meeting of the second entity, or such corresponding interest as may be prescribed; or

- (f) any entity (not being one which is an associate by reason of paragraph (a), (b), (c), (d) or (e)) the policies of which —
  - (i) the first entity; or

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- (ii) any entity which is an associate by reason of paragraph (a), (b), (c), (d) or (e),  
is, or the entities in sub-paragraphs (i) and (ii) together are, able to control or influence materially;”;
  - (c) after the definition of “guideline issued by the Authority”, insert —  
    - ““Guidelines on Fit and Proper Criteria” means the document by that title issued by the Authority and published on its website, as revised from time to time;”;
    - and
  - (d) in the definition of “specified financial adviser”, in paragraph (b), replace “or (g)” with “, (g) or (h)”.

### **Amendment of regulation 6**

3. In the principal Regulations, in regulation 6(1), delete “, in the manner and at the times”.

### **Amendment of regulation 9**

4. In the principal Regulations, in regulation 9 —
- (a) in paragraph (2), replace “require the licensed financial adviser to return its licence to the Authority for cancellation and issuance of a new licence, and the licensed financial adviser shall comply with such a requirement” with “cancel the licence and issue a new licence to the licensed financial adviser indicating the applicable conditions or restrictions”;
  - (b) in paragraph (3), replace “the licensed financial adviser shall immediately return its licence to the Authority for cancellation and issuance of a new licence” with “the Authority may cancel the licence and issue a new licence to the licensed financial adviser indicating the added type of financial advisory service or type of investment product”; and

- (c) delete paragraph (4).

### **Amendment of regulation 12**

5. In the principal Regulations, in regulation 12 —

- (a) in paragraphs (2) and (3), delete “return its licence to the Authority, and”;
- (b) in paragraphs (4) and (5), delete “return its licence to the Authority and”;
- (c) in paragraph (6), delete “and licence”;
- (d) in paragraph (6), replace “paragraph (2)” with “paragraph (1), (2)”;
- (e) in paragraph (6)(b), delete “except where the licence is returned under paragraph (4),”; and
- (f) in paragraph (7), replace “fails to return its licence under” with “contravenes”.

### **New regulation 12AA**

6. In the principal Regulations, after regulation 12, insert —

#### **“Obligation to notify Authority of certain matters**

**12AA.**—(1) A licensed financial adviser must notify the Authority of the following facts, immediately after becoming aware of that fact:

- (a) that any development (including any development in relation to any associate of the licensed financial adviser, or any other entity treated as part of the licensed financial adviser’s group of companies according to the accounting standards applicable to the licensed financial adviser) has occurred or is likely to occur which the licensed financial adviser has reasonable grounds to believe has materially and adversely affected, or is likely to materially and adversely affect —
  - (i) the financial soundness or reputation of the licensed financial adviser; or

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- (ii) the licensed financial adviser's ability to carry on business in any type of financial advisory service to which its licence relates;
  - (b) that the licensed financial adviser's chief executive officer or director is, in accordance with the Guidelines on Fit and Proper Criteria, no longer fit and proper to hold that office or appointment;
  - (c) that a substantial shareholder of the licensed financial adviser or a person who has effective control of the licensed financial adviser within the meaning of section 65(6)(a) of the Act is, in accordance with the Guidelines on Fit and Proper Criteria, no longer fit and proper to be a substantial shareholder of the licensed financial adviser or to have effective control of the licensed financial adviser, as the case may be;
  - (d) that the licensed financial adviser is not likely to be able to conduct its business prudently or to comply with the provisions of the Act and directions made thereunder, having regard to the likely influence over the licensed financial adviser of a substantial shareholder of the licensed financial adviser or a person who has effective control of the licensed financial adviser within the meaning of section 65(6)(a) of the Act.

(2) Any person who contravenes paragraph (1) shall be guilty of an offence.”.

### **Amendment of regulation 22**

7. In the principal Regulations, in regulation 22(7), after sub-paragraph (a), insert —

“(aa) a specified person who is exempt under section 20(1)(h) of the Act from holding a financial adviser's licence;”.

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**Amendment of regulation 27**

8. In the principal Regulations, in regulation 27, after paragraph (3A), insert —

“(3B) For the purposes of section 20(9) of the Act, a person otherwise exempted under paragraph (1)(d) must notify the Authority of the following facts, immediately after becoming aware of that fact:

- (a) that any development (including any development in relation to any associate of the person or any other entity treated as part of the person’s group of companies according to the accounting standards applicable to the person) has occurred or is likely to occur which the person has reasonable grounds to believe has materially and adversely affected, or is likely to materially and adversely affect —
  - (i) the financial soundness or reputation of the person;
  - (ii) the person’s ability to carry on business in any type of financial advisory service to which its exemption relates; or
  - (iii) such other matters as the Authority may specify by notice in writing;
- (b) where the person is an entity —
  - (i) that the person’s chief executive officer or director is, in accordance with the Guidelines on Fit and Proper Criteria, no longer fit and proper to hold that office or appointment;
  - (ii) that a substantial shareholder of the person or a person mentioned in regulation 14A(1)(b)(iii)(C) is, in accordance with the Guidelines on Fit and Proper Criteria, no longer fit and proper to be a substantial shareholder of the person or to control such power or hold such shares or share of ownership

as mentioned in that regulation, as the case may be; or

- (iii) that the person is not likely to be able to conduct its business prudently or to comply with the provisions of the Act and directions made thereunder, having regard to the likely influence over the person of a substantial shareholder of the person or a person mentioned in regulation 14A(1)(b)(iii)(C).”.

### **Amendment of regulation 34A**

**9.** In the principal Regulations, in regulation 34A —

- (a) in paragraph (1)(d), delete sub-paragraph (ii);
- (b) in paragraph (2), in the definition of “policy owner”, replace the semi-colon at the end with a full-stop; and
- (c) in paragraph (2), delete the definition of “relevant written directions”.

### **Amendment of Second Schedule**

**10.** In the principal Regulations, in the Second Schedule, delete the fourth column.

*[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;  
S 166/2013; S 169/2015; S 394/2015; S 815/2015;  
S 521/2016; S 113/2017; S 586/2017; S 385/2018;  
S 386/2018; S 493/2018; S 659/2018; S 660/2018;  
S 886/2018; S 28/2019; S 29/2019; S 294/2019;  
S 515/2019; S 842/2019; S 830/2020; S 462/2021;  
S 700/2021; S 766/2021; S 342/2022; S 794/2022;  
S 222/2023; S 617/2024; S 639/2024]*

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CHIA DER JIUN  
*Managing Director,*  
*Monetary Authority of Singapore.*

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