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No. S 65

SECURITIES AND FUTURES ACT 2001

SECURITIES AND FUTURES (APPROVED HOLDING COMPANIES) (AMENDMENT) REGULATIONS 2025

In exercise of the powers conferred by sections 81ZK and 341 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 (Approved Holding Companies) (Amendment) Regulations 2025 and come into operation on 24 January 2025.

Replacement of regulation 2

2. In the Securities and Futures (Approved Holding Companies) Regulations 2005 (G.N. No. S 365/2005) (called in these Regulations the principal Regulations), replace regulation 2 with —

“Definitions

2. In these Regulations —

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

“annual report” means the audited profit and loss accounts, audited balance-sheet and auditors’ report, by whatever name called, of an approved holding company;

“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 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

(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;

“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.”.

Amendment of regulation 8

3. In the principal Regulations, in regulation 8 —

- (a) in paragraph (1)(c), delete “significant”;
- (b) in paragraph (1)(c), after “Authority”, insert “, that will have an impact on the approved holding company”;
- (c) in paragraph (1)(c), replace the full-stop at the end with a semi-colon;
- (d) in paragraph (1), after sub-paragraph (c), insert —
 - “(d) the approved holding company becomes aware that any development (including any development in relation to any associate of the approved holding company, or any other entity treated as part of the approved holding company’s group of companies according to the accounting standards applicable to the approved holding company) has occurred or is likely to occur which the approved holding company 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 approved holding company; or

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- (ii) the approved holding company's ability to conduct its business;
 - (e) the approved holding company becomes aware that its chairperson, chief executive officer or director or a person who holds an appointment mentioned in section 81ZF(3) of the Act is, in accordance with the Guidelines on Fit and Proper Criteria, no longer fit and proper to hold that office or appointment;
 - (f) the approved holding company becomes aware that a substantial shareholder, 12% controller or 20% controller of the approved holding company is, in accordance with the Guidelines on Fit and Proper Criteria, no longer fit and proper to be a substantial shareholder, 12% controller or 20% controller (as the case may be) of the approved holding company;
 - (g) the approved holding company becomes aware that it 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 approved holding company of a substantial shareholder, 12% controller or 20% controller of the approved holding company.”;
- (e) after paragraph (1), insert —
- “(1A) In paragraph (1), “12% controller” and “20% controller” have the meanings given by section 81ZE(3) of the Act.”;
- (f) in paragraph (2), after “or (b)”, insert “, or a development mentioned in paragraph (1)(d),”; and

- (g) in paragraph (2), after “occurrence of the circumstance”, insert “or development,”.

Amendment of regulation 12

4. In the principal Regulations, in regulation 12(1), replace sub-paragraph (h) with —

“(h) the mode and structure, as appropriate, under which —

(i) the increase in shareholding will be carried out; and

(ii) the increased shareholding will be held;”.

Amendment of regulation 15

5. In the principal Regulations, in regulation 15 —

(a) in the regulation heading, replace “**or functions by officers**” with “**by directors or executive officers**”; and

(b) replace “section 81ZJ(2) of the Act, the Authority may, in determining whether a chairman, chief executive officer or director, or any officer who is a person stated in a notice referred to in section 81ZF(3) of the Act, of an approved holding company has failed to discharge the duties or functions of his office, take into consideration whether that person” with “section 81ZJ(4) of the Act, the Authority must, in determining whether a director or an executive officer of an approved holding company has failed to discharge the duties of his or her office or employment, take into consideration whether that individual”.

[G.N. Nos. S 59/2007; S 646/2018]

Made on 22 January 2025.

CHIA DER JIUN
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