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SECURITIES AND FUTURES ACT 2001

**SECURITIES AND FUTURES
(LICENSING AND CONDUCT OF BUSINESS)
(AMENDMENT) REGULATIONS 2025**

In exercise of the powers conferred by sections 100, 337 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 (Licensing and Conduct of Business) (Amendment) Regulations 2025 and come into operation on 24 January 2025.

Amendment of regulation 2

2. In the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10) (called in these Regulations the principal Regulations), in regulation 2 —

(a) before the definition of “advertisement”, 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 global trading company”, 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 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;” and

(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;”.

Amendment of regulation 6

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

Amendment of regulation 11

4. In the principal Regulations, in regulation 11 —

(a) in paragraphs (1), (2), (3) and (4), delete “return its licence to the Authority and”; and

(b) in paragraph (5), delete “and licence”.

Amendment of regulation 11A

5. In the principal Regulations, in regulation 11A —

(a) in paragraph (2), replace “require the holder to return its licence to the Authority for cancellation and issuance of a new licence, and the holder shall comply with such a requirement” with “cancel the licence and issue a new licence to the holder indicating the applicable conditions or restrictions”; and

- (b) in paragraph (3), replace “the holder 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 holder indicating the added type of regulated activity”.

New regulation 11C

6. In the principal Regulations, after regulation 11B, insert —

“Obligation to notify Authority of certain matters

11C.—(1) The holder of a capital markets services licence 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 holder, or any other entity treated as part of the holder’s group of companies according to the accounting standards applicable to the holder) has occurred or is likely to occur which the holder 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 holder; or
 - (ii) the holder’s ability to carry on business in any type of regulated activity to which its licence relates;
- (b) that the holder’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 holder or a person who has effective control of the holder within the meaning of section 97A(6) 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 holder or to have effective control of the holder, as the case may be;

- (d) that the holder 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 holder of a substantial shareholder of the holder or a person who has effective control of the holder within the meaning of section 97A(6) of the Act.

(2) Any person who contravenes paragraph (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.”.

Amendment of regulation 55

7. In the principal Regulations, in regulation 55 —

- (a) renumber the regulation as paragraph (1) of that regulation;
- (b) in paragraph (1)(a), delete “5(1), (2) or (3),”;
- (c) in paragraph (1)(a), delete “11(2), (3) or (4), 11A(2) or (3),”;
- (d) in paragraph (1)(b), replace “7(6)” with “7(5)(c) or (6)”;
- and
- (e) after paragraph (1), insert —

“(2) Any person who, without reasonable excuse, contravenes regulation 5(1), (2) or (3) or 11(2), (3) or (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.”.

Amendment of Second Schedule

8. In the principal Regulations, in the Second Schedule, in paragraph 7(5) —

- (a) in sub-paragraph (a), replace “he” with “the person”;
- (b) in sub-paragraph (a), delete “and” at the end;

(c) in sub-paragraph (b), replace the full-stop at the end with “; and”; and

(d) after sub-paragraph (b), insert —

“(c) notify the Authority of the following facts, immediately after becoming aware of that fact:

(i) 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 —

(A) the financial soundness or reputation of the person;

(B) the person’s ability to carry on business in advising on corporate finance; or

(C) such other matters as the Authority may specify by notice in writing;

(ii) where the person is an entity —

(A) 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;

(B) that a substantial shareholder of the person or a person mentioned in regulation 14A(2)(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

(C) 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(2)(b)(iii)(C).”.

Amendment of Third Schedule

9. In the principal Regulations, in the Third Schedule, delete the fourth column.

*[G.N. Nos. S 373/2005; S 275/2008; S 374/2008;
S 709/2010; S 418/2011; S 18/2012; S 385/2012;
S 503/2012; S 170/2013; S 171/2013; S 523/2016;
S 587/2017; S 381/2018; S 667/2018; S 844/2019;
S 832/2020; S 10/2021; S 464/2021; S 701/2021;
S 762/2021; S 344/2022; S 792/2022; S 226/2023;
S 496/2024; S 618/2024; S 637/2024]*

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