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SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
(COLLECTIVE INVESTMENT SCHEMES) REGULATIONS
2005

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In exercise of the powers conferred by sections 286, 287, 289, 296, 300, 302B, 302C, 305, 305B, 305C, 306, 337 and 341 of the Securities and Futures Act (as amended by the Securities and Futures (Amendment) Act 2005 (Act 1 of 2005)), the Monetary Authority of Singapore hereby makes the following Regulations:

PART I
PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 and shall come into operation on 15th October 2005.

Definitions

2.—(1) In these Regulations, unless the context otherwise requires —

“approved trustee” means a public company approved by the Authority under section 289(1) of the Act to act as a trustee for collective investment schemes;

“custodian” means an entity to which the assets of a collective investment scheme are entrusted for safekeeping;

[S 191/2013 wef 01/07/2013]

“information memorandum” has the same meaning as in section 305(5) of the Act;

[S 191/2013 wef 01/07/2013]

“key executive” means an individual —

- (a) who is employed in an executive capacity by the manager for a collective investment scheme; and
- (b) who makes, has the capacity to make, or participates in making, decisions that affect the whole or a substantial part of the management of the collective investment scheme;

[S 191/2013 wef 01/07/2013]

“language of the prospectus” has the same meaning as in section 287(13B) of the Act;

“restricted foreign scheme” means a restricted scheme constituted outside Singapore which is in the list of restricted schemes maintained by the Authority under the Sixth Schedule;

[S 420/2009 wef 01/10/2009]

[Deleted by S 420/2009 wef 01/10/2009]

“restricted scheme” means a collective investment scheme, whether constituted in Singapore or elsewhere, in respect of which —

(a) an offer of units in the scheme is made or intended to be made to a relevant person defined in section 305(5) of the Act; or

(b) an offer referred to in section 305(2) of the Act is made or intended to be made,

and which satisfies the conditions referred to in section 305(3) of the Act;

“restricted Singapore scheme” means a restricted scheme constituted in Singapore which is in the list of restricted schemes maintained by the Authority under the Sixth Schedule.

[S 420/2009 wef 01/10/2009]

[S 469/2012 wef 01/10/2012]

[Deleted by S 469/2012 wef 01/10/2012]

(2) In the Seventh Schedule, “latest practicable date” means a date which is the latest practicable in the context of the applicable requirement in these Regulations and which is no earlier than 7 days prior to the date of lodgment of the offer information statement with the Authority.

(3) Any word or expression used in these Regulations which is defined in section 283 of the Act shall, unless the context otherwise requires, have the same meaning as in that section.

Forms

3.—(1) The forms to be used for the purposes of Division 2 of Part XIII of the Act and these Regulations are those set out at the Authority’s Internet website at <http://www.mas.gov.sg> (under “Regulations and Financial Stability”, “Regulations, Guidance and Licensing”, “Securities, Futures and Fund Management”), and any reference in these Regulations to a numbered form shall be construed as a reference to the current version of the form bearing the corresponding number which is displayed at that website.

[S 469/2012 wef 01/10/2012]

(2) All forms used for the purposes of Division 2 of Part XIII of the Act and these Regulations shall be completed in the English language and in accordance with such directions as may be specified in the form or by the Authority.

(3) The Authority may refuse to accept any form if —

- (a) it is not completed or lodged in accordance with this regulation; or
- (b) it is not accompanied by the relevant fee referred to in regulation 4.

Fees

4.—(1) Subject to paragraph (2), the fees specified in the First Schedule shall be payable to the Authority for the purposes specified therein, and shall not be refundable.

(2) The Authority may waive in whole or in part any fee under item 7 of the First Schedule as it thinks fit.

PART II

AUTHORISATION AND RECOGNITION REQUIREMENTS

Division 1 — Approval Criteria for Trustees

Approval criteria for trustees

5.—(1) For the purposes of section 289 of the Act, the Authority may approve a public company as an approved trustee if the Authority is satisfied that —

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- (a) the public company has —
 - (i) a paid-up capital of not less than \$1 million;
 - (ii) shareholders' funds of not less than \$1 million;
 - (iii) a sound financial position; and
 - (iv) a sufficient number of qualified personnel with experience in performing the duties of an approved trustee or other relevant experience, having regard to the nature and extent of the activities which the public company carries on or will carry on;
 - (b) the public company is a fit and proper person;
 - (c) each officer of the public company is a fit and proper person; and
 - (d) the public company has, if so required by the Authority —
 - (i) obtained professional indemnity insurance for such amount and on such terms as may be specified by the Authority by notice in writing; or
 - (ii) provided the Authority with a performance bond, guarantee or any similar instrument (by whatever name called) from its holding company, if any, for such amount and on such terms as may be specified by the Authority by notice in writing.

(2) In determining whether a public company is a fit and proper person for the purposes of paragraph (1)(b), the Authority may take into account any matter it deems fit, including matters relating to —

- (a) any person who is or will be employed by or associated with the public company;
- (b) any person whom the Authority considers to be exercising influence over the public company; and
- (c) any person whom the Authority considers to be exercising influence over a related corporation of the public company.

(3) In paragraph (1) —

“officer”, in relation to a public company, means any director or secretary of the public company or any person employed in an executive capacity by the public company;

“personnel”, in relation to a public company, means —

- (a) any person, including any director, employed in an executive or managerial capacity by the public company; or
- (b) any other person who carries out executive or managerial duties for the public company.

Division 2 — Requirements for Approved Trustees

Annual fees for approved trustees

6. Every approved trustee shall pay to the Authority the annual fee specified in item 4 of the First Schedule.

Operational requirements for approved trustees

7.—(1) An approved trustee shall, in respect of a collective investment scheme for which it acts as trustee —

- (a) where the approved trustee becomes aware that the manager for the scheme has contravened any legal or regulatory requirement applicable to the manager in relation to the scheme, inform the Authority of the contravention no later than 3 business days after the approved trustee becomes aware of the contravention;
- (b) take into custody or control all the property of the scheme and hold the property on trust for the participants;
- (c) ensure that all the property of the scheme is properly accounted for;
- (d) ensure that the property of the scheme is kept distinct from its own property and the property of its other clients;
- (e) keep and maintain, or cause to be kept and maintained, a register of the participants in the scheme;

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- (f) make the register available for inspection during its business hours, free of charge, to the manager for the scheme or any participant in the scheme; and
- (g) where that register is not in the language of the prospectus, make available for inspection during its business hours an accurate translation of the register in the language of the prospectus, free of charge, to the manager for the scheme or any participant in the scheme, unless the manager or the participant, as the case may be, has consented to the register being made available to him for inspection in a language other than the language of the prospectus.
- (2) The register referred to in paragraph (1)(e) shall contain, in respect of each participant or person who has ceased to be a participant, in the scheme —
- (a) his name and address;
- (b) the extent of his holding;
- (c) the date on which his name was entered in the register as a participant; and
- (d) if applicable, the date on which he ceases or ceased to be a participant.
- (3) 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.
- (4) Section 333(1) of the Act shall not apply to any offence under paragraph (3).

Division 3 — Trust Deed Requirements

Covenants to be included in trust deeds

8.—(1) For the purposes of section 286(2)(c) of the Act, the Authority may authorise a collective investment scheme constituted in Singapore as a unit trust if the trust deed —

- (a) subject to paragraph (4), contains the covenants referred to in paragraph (2); and

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- (b) includes the provisions referred to in regulation 9.
- (2) The trust deed referred to in paragraph (1) shall contain covenants —
- (a) binding the manager for the scheme —
- (i) to use its best endeavours —
 - (A) to carry on and conduct its business in a proper and efficient manner; and
 - (B) to ensure that the scheme is carried on and conducted in a proper and efficient manner;
 - (ii) to pay to the trustee for the scheme within 5 business days after the receipt by the manager of any money that, under the trust deed, is payable by the manager to the trustee;
 - (iii) to issue, redeem or repurchase units in the scheme at a price based on the net asset value of the scheme or otherwise, in accordance with the Code on Collective Investment Schemes;
 - (iv) at the request of a participant in the scheme, to purchase from the participant units which the participant has subscribed for or acquired, except in the circumstances specified in paragraph (4);
 - (v) to keep or cause to be kept such books as will sufficiently explain the transactions and financial position of the scheme and enable true and fair accounts to be prepared from time to time;
 - (vi) to keep or cause to be kept the books referred to in sub-paragraph (v) in such manner as will enable them to be conveniently and properly audited; and
 - (vii) to prepare or cause to be prepared —
 - (A) semi-annual accounts and annual accounts relating to the scheme in the language of the prospectus; and

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- (B) semi-annual reports and annual reports relating to the scheme in the language of the prospectus,
- in accordance with the Code on Collective Investment Schemes;
- (b) binding the trustee for the scheme —
- (i) to exercise all due diligence and vigilance in carrying out its functions and duties and in safeguarding the rights and interests of the participants in the scheme;
- (ii) to cause the annual accounts relating to the scheme to be audited at the end of each financial year by an auditor, other than in such cases as may be specified by the Authority in the Code on Collective Investment Schemes, and to ensure that the report of the auditor is prepared in the language of the prospectus; and
- (iii) to send or cause to be sent to the participants —
- (A) the semi-annual accounts and annual accounts relating to the scheme;
- (B) the report of the auditor on the annual accounts; and
- (C) the semi-annual report and annual report relating to the scheme,
- in accordance with the Code on Collective Investment Schemes; and
- (c) binding the manager for the scheme, to the same extent as if the trustee for the scheme were a director of the manager —
- (i) to make available for inspection within a reasonable time to the trustee, or any auditor appointed by the trustee, the books of the manager relating to the scheme whether these books are kept at the registered office of the manager or elsewhere; and

- (ii) to give within a reasonable time to the trustee, or any auditor appointed by the trustee, such oral or written information as the trustee or auditor requires with respect to the scheme.

(3) In this regulation, “accounts” has the same meaning as in section 4(1) of the Companies Act (Cap. 50).

(4) The trust deed of a collective investment scheme constituted in Singapore as a unit trust may exclude the covenant referred to in paragraph (2)(a)(iv) if —

- (a) the scheme is one that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes, all or any of the units of which are or are to be listed for quotation on a securities exchange;

[S 469/2012 wef 01/10/2012]

- (b) in the case of a scheme where the offer of units is an offer for which a prospectus is required, the units in the scheme are listed for quotation on a securities exchange within 30 days after the prospectus in respect of the offer is registered by the Authority;
- (c) the advertising and marketing materials (including the prospectus referred to in sub-paragraph (b)) in relation to the scheme contain —
 - (i) a statement to the effect that, for so long as the units in the scheme are listed for quotation on a securities exchange, the participants in the scheme shall have no right to request the manager for the scheme to redeem or purchase their units in the scheme; and
 - (ii) a warning to prospective investors that the listing for quotation of the units in the scheme on a securities exchange does not guarantee a liquid market for those units; and
- (d) the trust deed contains a covenant binding on the manager for the scheme that if at any time the units in the scheme —

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- (i) are suspended from trading for 60 calendar days on all securities exchanges on which the units have been listed for quotation; or
 - (ii) cease to be listed for quotation on all securities exchanges on which the units have been listed for quotation,

the manager shall offer to purchase from the participants in the scheme the units in the scheme in accordance with the provisions of the trust deed and the requirements set out in the Second Schedule.

Other particulars to be included in trust deeds

9. The trust deed referred to in regulation 8(1) shall include —

- (a) provisions relating to such particulars as are sufficient to disclose the structure of the scheme, the nature of the units in the scheme, the investment objectives of the scheme and the types of authorised investments and investment restrictions applicable to the scheme, including those that are applicable by virtue of the Code on Collective Investment Schemes;
- (b) except where no property is to be vested in the trustee for the scheme, provisions creating a trust, or containing a declaration of trust, and setting out full particulars of the trust, including precise information as to the circumstances in which the money, marketable securities, investments and other property subject to the trust are or will be vested in the trustee, and the duties and obligations of the trustee towards the participants in the scheme;
- (c) provisions for and specifying full particulars with respect to —
 - (i) the retirement, removal and replacement of the trustee for the scheme;
 - (ii) the retirement, removal and replacement of the manager for the scheme;

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- (iii) the appointment, retirement, removal and replacement of the auditor of the accounts relating to the scheme; and
 - (iv) the duration, if ascertainable, of the scheme or, if the duration is not ascertainable, a statement of that fact;
- (d) where the scheme invests in property that tends to depreciate in value through use or effluxion of time, provisions regarding particulars of the provision made or to be made for the replacement of that property and the source or sources from which the replacement is to be made or from which the cost of the replacement is to be met or, if no provision is or is to be made, a statement of that fact;
- (e) provisions specifying full particulars of —
- (i) the method of determining the price at which a unit in the scheme may be sold by the manager for the scheme;
 - (ii) the circumstances in which the manager for the scheme or any other person may be required to purchase from a participant in the scheme any unit subscribed for or acquired by the participant and the method of determining the price at which the unit is to be purchased;
 - (iii) the method of valuation of investments comprised in the scheme and the time of day when valuation is to be made;
 - (iv) the circumstances in which, and methods by which, all or any of the investments or other property comprising or forming part of the scheme may be varied;
 - (v) the conditions governing the transfer of units in the scheme;
 - (vi) the conditions governing the distribution of income to the participants;

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- (vii) the remuneration of the trustee for the scheme and of the manager for the scheme and the manner in which that remuneration is provided; and
 - (viii) any other fees or charges payable by the scheme or participants;
 - (f) provisions requiring the prior approval of the trustee for any changes to the particulars to which sub-paragraph (e)(i), (ii) or (iii) relate, and requiring the trustee to determine if the participants should be informed of such changes;
 - (g) provisions relating to the convening of meetings of the participants;
 - (h) provisions incorporating, whether by way of annex or otherwise, the terms and form of any agreement which the trust deed requires, or confers a right on, the participants to enter into in connection with the scheme;
 - (i) provisions relating to details of the scheme's borrowing limit and borrowing powers, including stock borrowings;
 - (j) provisions specifying the party to whom interest on monies held by the manager for the scheme pending payment to the approved trustee should accrue;
 - (k) where applicable, provisions regarding a regular savings plan incorporated into the scheme or enabling such a plan to be incorporated; and
 - (l) where the trust deed is capable of modification, provisions relating to the modification of the trust deed.

Penalty for breach of covenant

10.—(1) Where a collective investment scheme is authorised under section 286(1) of the Act, any person who fails to comply with any covenant referred to in regulation 8(2)(a) or (b) which is included in the trust deed of the collective investment scheme, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

(2) Section 333(1) of the Act shall not apply to any offence under paragraph (1).

PART III

PROSPECTUS REQUIREMENTS

Division 1 — Form and Content

Contents of prospectus

11. For the purposes of section 296(1) of the Act, a prospectus in respect of units in a collective investment scheme shall be prepared in accordance with the requirements set out in the Third Schedule.

Information that may be omitted from preliminary document

12. For the purposes of section 296(1B) of the Act, the information set out in the Fourth Schedule may be omitted from a preliminary document under the circumstances specified, if any, in relation to that information in that Schedule.

Contents of profile statement

13.—(1) For the purposes of section 296(2) of the Act, a profile statement in respect of units in a collective investment scheme shall contain —

- (a) a statement that copies of the prospectus are available for collection at the times and places specified in the profile statement; and
- (b) a statement that the persons referred to in section 296(2A) of the Act who have signed the profile statement are satisfied that the profile statement contains a fair summary of the key information in the prospectus.

(2) A profile statement shall not contain —

- (a) any statement or matter that is false or misleading in the form and context in which it is included;
- (b) any material information that is not contained in the prospectus; and

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- (c) any material information that differs in any material particular from that set out in the prospectus.

Supplementary document and replacement document

14.—(1) The supplementary document or replacement document to be lodged with the Authority under section 298 of the Act shall be signed —

- (a) if the person making the offer of units in a collective investment scheme is the responsible person for the scheme, by every director or equivalent person of the responsible person and every person who is named therein as a proposed director or an equivalent person of the responsible person; and
- (b) if the person making the offer of units in a collective investment scheme is not the responsible person for the scheme —
- (i) where the responsible person is controlled by —
- (A) the person making the offer;
- (B) one or more of the related parties of the person making the offer; or
- (C) the person making the offer and one or more of his related parties,
- by the persons referred to in sub-paragraph (a) and the persons referred to in sub-paragraph (ii)(A) or (B), as the case may be; and
- (ii) in any other case —
- (A) if that person is an entity, by every director or equivalent person of that entity; or
- (B) if that person is an individual, by the individual or a person authorised by him in writing.

(2) A requirement under paragraph (1) for the supplementary document or replacement document to be signed by a director or an

equivalent person is satisfied if the supplementary document or replacement document is signed —

- (a) by that director or equivalent person; or
- (b) by a person who is authorised in writing by that director or equivalent person to sign on his behalf.

(3) A requirement under paragraph (1) for the supplementary document or replacement document to be signed by a person named therein as a proposed director or an equivalent person is satisfied if the supplementary document or replacement document is signed —

- (a) by that proposed director or equivalent person; or
- (b) by a person who is authorised in writing by that proposed director or equivalent person to sign on his behalf.

15. [*Deleted by S 469/2012 wef 01/10/2012*]

General requirements for documents lodged with Authority

16.—(1) Except as otherwise provided in the Act or these Regulations, a document to be lodged with the Authority under Division 2 of Part XIII of the Act or these Regulations shall be lodged in electronic form and shall comply with the following requirements:

- (a) the document shall be in portable document format (PDF), tagged image file format (TIFF) or such other format as the Authority may from time to time allow;
- (b) the document shall be lodged by submitting to the Authority a CD-ROM or such other medium as the Authority may from time to time allow, containing the document;
- (c) the medium by which the document is lodged shall be labelled with —
 - (i) the names of the person making the offer and the manager for the collective investment scheme the units in which are the subject of the offer;
 - (ii) the nature of the document; and
 - (iii) the date the document is lodged with the Authority.

(2) When a document is lodged with the Authority in electronic form under paragraph (1), an electronic image of each of the following shall be lodged with or submitted to the Authority together with the document:

- (a) every signature on or accompanying the document;
- (b) any duly signed form which is part of or which accompanies the document;
- (c) any duly signed statement or letter required under the Act or these Regulations to be lodged or submitted together with the document.

(3) An electronic image to be lodged with or submitted to the Authority under paragraph (2) shall comply with the following requirements:

- (a) the electronic image shall be in portable document format (PDF), tagged image file format (TIFF) or such other format as the Authority may from time to time allow;
- (b) the electronic image shall be lodged or submitted by submitting to the Authority a CD-ROM, or such other medium as the Authority may from time to time allow, containing the electronic image;
- (c) the medium by which the electronic image is lodged or submitted shall be labelled with —
 - (i) a description of what the electronic image relates to; and
 - (ii) the nature and date of lodgment of the document lodged with the Authority in electronic form under paragraph (1) together with which the electronic image is lodged or submitted.

(4) For the avoidance of doubt, a document lodged with the Authority in electronic form under paragraph (1) and every electronic image lodged with or submitted to the Authority together with that document under paragraph (2) may be contained in the same medium.

(5) The fee payable to the Authority in respect of the lodgment of a document with the Authority shall be paid at the time the document is lodged.

Form or medium of document

17.—(1) A person who lodges any of the following documents under regulation 16(1) shall also provide a copy of that document in paper form to the Authority:

- (a) a prospectus;
- (b) a profile statement;
- (c) a supplementary document;
- (d) a replacement document;
- (e) an offer information statement under section 305B of the Act.

[S 469/2012 wef 01/10/2012]

(2) A copy of any document in paper form required under paragraph (1) —

- (a) shall comply with the following requirements:
 - (i) the copy of the document shall be on paper that is 297 millimetres in length and 210 millimetres in breadth (A4 paper size); and
 - (ii) the contents of the copy of the document shall be legible; and
- (b) shall be accompanied by a true and complete electronic image of a signed statement of —
 - (i) in a case where the person making the offer is an individual —
 - (A) the person making the offer;
 - (B) a person authorised in writing by him; or
 - (C) an advocate and solicitor acting on his behalf;or

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- (ii) in a case where the person making the offer is an entity —
- (A) a director or an equivalent person of the entity;
 - (B) a person authorised in writing by a director or an equivalent person of the entity; or
 - (C) an advocate and solicitor on behalf of the entity,

verifying that the copy of the document in paper form is a true copy of the document lodged with the Authority under regulation 16(1).

(3) The electronic image of the signed statement under paragraph (2)(b) shall comply with the requirements of regulation 16(3).

Authorisation to be submitted

18.—(1) Where any document lodged with the Authority under Division 2 of Part XIII of the Act or any statement referred to in regulation 17(2)(b) is signed —

- (a) in a case where the person making the offer is an individual, by a person authorised in writing by the individual; or
- (b) in a case where the person making the offer is an entity, by a person authorised in writing by a director or an equivalent person, or a proposed director or an equivalent person, of the entity,

a true and complete electronic image of the authorisation shall be submitted to the Authority, together with the document lodged with the Authority or statement, as the case may be.

[S 469/2012 wef 01/10/2012]

(2) The electronic image of the authorisation under paragraph (1) shall comply with the requirements of regulation 16(3).

Making false statement an offence

19. Any person who makes a statement verifying any matter under this Division which he knows or has reason to believe to be false or does not believe to be true, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000.

Division 2 — Advertising requirements for purposes of section 300 of Act

Subdivision (1) — Requirements for advertisements or publications for the purposes of section 300 (3C) of Act Application of this Subdivision

Application of this Subdivision

20. This Subdivision shall apply, for the purposes of section 300(3C) of the Act, to an advertisement or a publication in relation to a collective investment scheme which is published or disseminated after a prospectus or profile statement is registered with the Authority.

Advertisement shall not be false or misleading

21.—(1) An advertisement or a publication in relation to a collective investment scheme shall not contain any information —

- (a) that is false or misleading; or
- (b) that cannot be justified on the facts known to the person responsible for the advertisement or publication,

at the time the advertisement or publication is published.

(2) An advertisement or publication in relation to a collective investment scheme shall not, whether by the prominence given to specific information or otherwise, create a false or misleading impression as to the collective investment scheme in question.

Legibility and audibility of advertisements

22.—(1) Where an advertisement or publication in relation to a collective investment scheme is in a visual form the information

required under regulations 23 to 29 to be contained in the advertisement or publication —

- (a) shall be clearly legible; and
- (b) in the case of an advertisement or publication appearing in any document, including any newspaper, periodical, magazine or letter, electronic mail or website, shall be in a font size of at least 10-point Times New Roman.

(2) Where an advertisement or publication in relation to a collective investment scheme in a visual form contains a footnote, the footnote shall —

- (a) be in a font size which is at least half the font size of the word or statement to which it relates; and
- (b) in the case of an advertisement or publication appearing in any document, including any newspaper, periodical, magazine or letter, electronic mail or website, be in a font size which is at least 10-point Times New Roman but which need not be larger than 14-point Times New Roman.

(3) Where an advertisement or publication in relation to a collective investment scheme is broadcast by means of any radio, television or audio-visual broadcasting service, or shown in any cinema, the information required under regulation 23(a)(iii) and (iv) to be contained in the advertisement or publication shall —

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

Contents of advertisement where units in collective investment scheme are already offered

23. If an offer in respect of units in a collective investment scheme is made at the time an advertisement or publication in relation to the scheme is advertised or published, the advertisement or publication —

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- (a) shall state —
- (i) that a prospectus or profile statement in relation to the scheme is available;
 - (ii) how a copy of the prospectus or profile statement may be obtained;
 - (iii) that a potential investor should read the prospectus or profile statement before deciding whether to subscribe for or purchase units in the scheme; and
 - (iv) that the value of the units in the scheme and the income accruing to the units, if any, may fall or rise;
- (b) shall state the name of the responsible person for the scheme if the advertisement or publication does not otherwise clearly identify that person;
- (c) shall, where the name of the scheme is not indicative of the scheme's investment objectives and focus, state the scheme's investment objectives and focus;
- (d) shall, where the advertisement or publication includes a quotation expressing acclaim or approval for or recommending the scheme or the responsible person for the scheme, state the source of such quotation;
- (e) shall not, where there is no guarantee or warranty given as to —
- (i) the protection of the principal sum which a participant invests in the scheme (whether including or excluding the subscription fee); or
 - (ii) the rate of return on the scheme,
- use words such as “guarantee”, “warranty” or any other expression suggesting that the principal sum invested in or rate of return on the scheme is guaranteed, or that a participant cannot lose money;
- (f) shall, where the scheme is represented as a guaranteed scheme, state the name of the guarantor;

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- (g) shall, where the scheme is a hedge fund or other high risk fund, indicate that an investment in the scheme involves a high degree of risk, and that investment in such a scheme is only appropriate for a person able and willing to take such a risk; and
 - (h) shall, where the units of the scheme are listed or where an application has been or will be made for such units to be listed for quotation on the official list of any securities exchange, and all or most investors may only deal in the units through the securities exchange, include —
 - (i) a statement that investors cannot redeem the units with the manager for the scheme or that investors may only redeem units with the manager for the scheme under certain specified conditions; and
 - (ii) a statement that the listing of the units does not guarantee a liquid market for the units.

Contents of advertisement where units in collective investment scheme are not yet offered

24. Where no offer in respect of units in a collective investment scheme has been made at the time an advertisement or publication in relation to the scheme is advertised or published, but it is reasonably likely that such an offer will be made, the advertisement or publication shall —

- (a) state —
 - (i) that a prospectus or profile statement in relation to the scheme will be made available when the offer or invitation is made;
 - (ii) when the prospectus or profile statement is expected to be made available;
 - (iii) how a copy of the prospectus or profile statement may be obtained;
 - (iv) that a potential investor should read the prospectus or profile statement before deciding whether to subscribe for or purchase units in the scheme; and

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- (v) that the value of the units in the scheme and the income accruing to the units, if any, may fall or rise; and
 - (b) comply with the requirements under regulation 23(b) to (h).

Past performance of collective investment scheme

25.—(1) If an advertisement or publication in relation to a collective investment scheme includes information on the past performance of the scheme, the advertisement or publication shall —

- (a) include a prominent statement that the past performance of the scheme is not necessarily indicative of the future performance of the scheme;
- (b) state the return on the scheme, calculated on an offer-to-bid basis illustrated in the Fifth Schedule or on a single pricing basis (taking into account any subscription fee and realisation fee), and include a statement that the return is calculated on that basis;
- (c) where dividends have been declared or distributions have been made by the scheme, state the return on the scheme, calculated on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment, and include a statement that the return is calculated on that assumption;
- (d) present the return on the scheme in relation to a period —
 - (i) which shall not be less than one year or, in the case of a scheme which has been constituted for less than 12 months, which shall commence from the inception of the scheme;
 - (ii) the last day of which shall not be earlier than 3 months prior to the day on which the advertisement or publication is advertised or published; and
 - (iii) the first day and last day of which shall be determined on either of the following bases:

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- (A) the first business day or last business day of a month; or
 - (B) the first dealing day or last dealing day of the scheme in a month.
- (e) where the total return on the scheme for a period exceeding one year is presented, state the average annual compounded return on the scheme over the same period calculated in the manner illustrated in the Fifth Schedule; and
- (f) indicate the period to which the return on the scheme relates.
- (2) For the purposes of the calculation referred to in paragraph (1)(b), where the realisation fee for a collective investment scheme depends on the duration that a participant owns units in the scheme, the realisation fee taken into account shall be that which applies for the duration for which the return is calculated.
- (3) For the purposes of paragraph (1), where a scheme which has been constituted for less than 12 months invests at least 90% of its funds in another collective investment scheme (referred to in this regulation as the underlying fund), information on the past performance of the underlying fund may be included in the advertisement or publication, but not otherwise.
- (4) Where information on the past performance of an underlying fund is included in an advertisement or publication in relation to a collective investment scheme, the advertisement or publication shall —
- (a) include an appropriate warning regarding its limitations as a proxy for the past performance of the scheme; and
 - (b) comply with paragraph (1) as though the information on the past performance of the underlying fund were information on the past performance of the scheme.
- (5) Where any information on the past performance of a collective investment scheme is included in an advertisement or publication in relation to that scheme, and that past performance is due to

exceptional circumstances which may not be sustainable, the advertisement or publication shall include a prominent warning statement to that effect.

(6) In paragraph (5), “exceptional circumstances” include, but are not limited to —

- (a) an investment in an initial public offer of securities which has a large impact on the return on the scheme but where such return is unlikely to be sustained; and
- (b) a high annual return for a particular year where the scheme has, or schemes with a similar investment focus have, yielded a much lower historical long term average annual compounded return.

(7) An advertisement or publication in relation to a collective investment scheme shall not contain any information on past performance based on simulated results of a hypothetical collective investment scheme.

Comparison of past performance of collective investment scheme with that of another collective investment scheme or an index

26.—(1) Where an advertisement or publication in relation to a collective investment scheme includes a comparison of the past performance of the scheme with that of another collective investment scheme —

- (a) such other collective investment scheme must have investment objectives and an investment focus which are similar to those of the first-mentioned scheme; and
- (b) the comparison must be made on an offer-to-bid basis and that basis shall be stated in the advertisement or publication.

(2) Where an advertisement or publication in relation to a collective investment scheme includes a comparison of the past performance of the scheme with that of an index —

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- (a) such index must be the benchmark for the scheme or an index which reflects the investment focus of the scheme; and
 - (b) the comparison must be made on an offer-to-bid basis or a bid-to-bid basis and the basis on which the comparison is made shall be stated in the advertisement or publication.

(3) Any comparison of the past performance of a collective investment scheme with that of another collective investment scheme or with an index must be made using a common currency and, where the currency of the first-mentioned scheme is different from the currency of the second-mentioned scheme or index, conversion to the common currency must be based on prevailing exchange rates at the relevant time.

(4) The requirements set out in regulation 25 shall apply to any collective investment scheme in respect of which any comparison of past performance is made under this regulation.

Comparison of past performance of collective investment scheme with that of another form of investment

27.—(1) Where an advertisement or publication in relation to a collective investment scheme includes a comparison of the past performance of the scheme with that of another form of investment —

- (a) such other form of investment must have a risk profile which is similar to that of the scheme; and
- (b) the comparison must be made on an offer-to-bid basis and that basis shall be stated in the advertisement or publication.

(2) The requirements set out in regulation 25 shall apply to any collective investment scheme in respect of which any comparison of past performance is made under this regulation.

Performance of manager or submanager

28.—(1) Where an advertisement or publication in relation to a collective investment scheme includes any information on the past or present performance, skills or techniques of the manager for the

scheme or a person managing the property of the scheme on behalf of the manager (referred to in this regulation as a submanager), the advertisement or publication shall —

- (a) state the source of such information, if the source is not the manager for the scheme;
- (b) indicate the period to which such information relates; and
- (c) include a prominent statement that the past performance of the manager or submanager is not necessarily indicative of its future performance.

(2) An advertisement or publication in relation to a collective investment scheme must not present information on the past or present performance, skills or techniques of the manager or submanager for the collective investment scheme, or the past or present performance of any other collective investment scheme under the management of the manager or submanager, in a selective or biased way, such that any particular success is exaggerated or any lack of success is disguised.

Future performance of collective investment scheme

29.—(1) Subject to paragraph (3), an advertisement or publication in relation to a collective investment scheme must not —

- (a) include any prediction, projection or forecast as to the future or likely performance of the scheme; or
- (b) use words such as “targeted” or “expected” or any similar words or description in relation to a rate of return.

(2) An advertisement or publication in relation to a collective investment scheme may include a prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets which are targeted by the scheme, but such prediction, projection or forecast must be accompanied by a prominent statement to the effect that the prediction, projection or forecast is not necessarily indicative of the future or likely performance of the scheme.

(3) An advertisement or publication in relation to a collective investment scheme that is a trust and that invests primarily in real

estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes may include a forecast or projection prior to or during an offer of units in the scheme for which a prospectus is required, provided that —

- (a) if the forecasted or projected yields of the units in the scheme are stated in percentage terms —
 - (i) such yields are presented on an annualised basis; and
 - (ii) it is prominently stated in the advertisement or publication that such yields are calculated based on a stated reference price or stated reference prices and that such yields will vary accordingly for investors who purchase units in the secondary market at a price higher or lower than the stated reference price or prices; and
- (b) the advertisement or publication clearly refers to the assumptions, as set out in the prospectus, underlying such forecast or projection.

[S 469/2012 wef 01/10/2012]

(4) Where the return on a collective investment scheme is guaranteed, or where the use of a prediction, projection or forecast as to the future performance of the scheme has been allowed by the Authority under paragraph (3), the return, prediction, projection or forecast shall be presented on an average annual compounded basis.

Subdivision (2) — Requirements for advertisements or publications for the purposes of section 300 (4) of Act

Applicability of Subdivision (2) to advertisements or publications referred to in section 300 (4) of Act

30.—(1) For the purposes of section 300(4)(a) of the Act, an advertisement or publication which is in respect of an offer of units in a collective investment scheme that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes, and which consists solely of a disclosure, notice or report required under the Act, or any listing rules or other requirements of a securities exchange,

futures exchange or recognised securities exchange, shall comply with the requirements under regulations 28 and 29.

[S 469/2012 wef 01/10/2012]

(2) For the purposes of section 300(4)(aa) of the Act, an advertisement or publication which is in respect of an offer of units in a collective investment scheme that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes, and which consists solely of a notice or report of a meeting or proposed meeting of the participants of the scheme, or a general meeting or proposed general meeting of the person making the offer, the responsible person or any entity, shall comply with the requirements under regulations 28 and 29.

[S 469/2012 wef 01/10/2012]

Report about units in collective investment scheme published and delivered to institutional investors

31. The report referred to in section 300(4)(e) of the Act is a report about the units in the collective investment scheme which are the subject of the offer or intended offer, published and delivered to any institutional investor not later than 14 days prior to the date of lodgment of the prospectus, provided that the person issuing the report —

- (a) shall assign a specific number to each copy of the report;
- (b) shall keep a record of each person to whom he has distributed a copy of the report and the number referred to in paragraph (a) of the copy distributed to that person;
- (c) shall include on the front cover of each copy of the report —
 - (i) the number referred to in paragraph (a) which is assigned to that copy of the report;
 - (ii) a prominent statement that the report is distributed to institutional investors only;
 - (iii) a prominent statement that the information contained in the report should not be disclosed by the recipient of the report to any other person;

- (iv) a prominent disclosure on the nature of any material interest in, or any material interest in the issue or sale of, the units in the collective investment scheme that are the subject of the report that he has as at the date of the report; and
 - (v) a prominent disclosure on any relationship between him and the person making the offer of the units in the collective investment scheme which is material in the context of the offer;
- (d) shall not —
- (i) distribute any copy of the report; or
 - (ii) disclose any information contained in the report (other than information that is publicly available prior to the date of the report),
- to any person other than an institutional investor; and
- (e) shall take all other reasonable steps as are necessary to prevent the leakage of information contained in the report (other than information that is publicly available prior to the date of the report) to any person who is not an institutional investor, including any person who, in the ordinary course of business, publishes a newspaper, periodical or magazine, or broadcasts by radio, television or other means of broadcasting or communication.

[S 469/2012 wef 01/10/2012]

PART IV

NOTIFICATION OF OFFERS OF UNITS IN RESTRICTED SCHEMES

[S 420/2009 wef 01/10/2009]

Extent to which Subdivisions (2) and (3) in Division 2 of Part XIII of Act apply to restricted schemes

32. For the purposes of section 305(1) and (2) of the Act —

(a) sections 285 to 288, 294, 295 and 296 of the Act shall not apply to a restricted scheme except as modified and set out in paragraphs 1 to 8 of the Sixth Schedule;

[S 191/2013 wef 01/07/2013]

(b) sections 289 to 292 of the Act shall not apply to a restricted scheme constituted in Singapore except with the modification that a reference to section 286 of the Act shall be read as a reference to paragraph 3 of the Sixth Schedule; and

(c) section 293 of the Act shall apply to a restricted scheme.

[S 420/2009 wef 01/10/2009]

[S 191/2013 wef 01/07/2013]

PART IVA

PRESCRIBED MANNER OF NOTICE UNDER SECTION 295A

[S 179/2010 wef 29/03/2010]

Prescribed manner of notice

32A.—(1) For the purposes of section 295A(1) of the Act, a notice given by a transferee to a dissenting participant of the subject trust that the transferee desires to acquire his units shall be in Form 7, and shall —

(a) be delivered to the dissenting participant personally; or

(b) be left at or sent by prepaid post to the address of the dissenting participant shown in the register of participants in the subject trust referred to in regulation 7(1)(e).

(2) For the purposes of section 295A(4)(a) of the Act, a notice given by a transferee to a participant of the subject trust who has not assented to the arrangement or contract shall be in Form 8, and shall —

(a) be delivered to the participant personally; or

- (b) be left at or sent by prepaid post to the address of the participant shown in the register of participants in the subject trust referred to in regulation 7(1)(e).

[S 179/2010 wef 29/03/2010]

PART V EXEMPTIONS

Determination of closely related offer for small offer and private placement

33.—(1) For the purposes of sections 302B(5) and 302C(3) of the Act, an offer of units in a collective investment scheme (other than a collective investment scheme that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes) is a closely related offer in relation to —

- (a) an offer of units in another collective investment scheme (other than a collective investment scheme that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes); or

[S 469/2012 wef 01/10/2012]

(b) an offer of asset-backed securities or structured notes, if any person who makes or is a sponsor of the first-mentioned offer also —

- (i) makes or is a sponsor of the second-mentioned offer; or
(ii) is a related corporation or related entity of the person who makes or is a sponsor of the second-mentioned offer.

[S 469/2012 wef 01/10/2012]

(2) For the purposes of sections 302B(5) and 302C(3) of the Act, an offer of units in a collective investment scheme that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes is a closely related offer in relation to —

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- (a) an offer of units in another collective investment scheme that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes;
- (b) an offer of shares or units of shares of a corporation;
- (c) an offer of debentures or units of debentures (other than asset-backed securities and structured notes) of an entity; or
- (d) an offer of units or derivatives of units in a business trust,
- if —
- (i) both offers form part of a single plan of financing;
- (ii) both offers are made for the primary benefit of the same person or persons; or
- (iii) both offers are made in connection with the same business or in relation to a common business venture.

[S 469/2012 wef 01/10/2012]

(3) In considering whether both offers meet the requirements of sub-paragraph (i), (ii) or (iii) of paragraph (2)(d), regard shall be had to —

- (a) the intended usage of the net proceeds raised from each offer; and
- (b) the person or persons with the right to determine how the net proceeds raised from each offer are to be used.
- (4) In paragraphs (1) and (2) —

“asset-backed securities” has the same meaning as defined in section 262 of the Act;

“related corporation” and “related entity” have the same meanings as in paragraph 1 of the Fourth Schedule to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 (G.N. No. S 611/2005);

“sponsor”, in relation to an offer of asset-backed securities or structured notes, has the same meaning as in regulation 28(4)

of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005;

“structured notes” has the same meaning as in regulation 2(1) of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005.

Contents of offer information statement under section 305B of Act

34.—(1) For the purposes of section 305B of the Act, an offer information statement in respect of a collective investment scheme that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes shall be prepared in accordance with the requirements set out in the Seventh Schedule.

[S 469/2012 wef 01/10/2012]

(2) The Authority may require any document, report or other material to be filed together with an offer information statement.

(3) An offer information statement to be lodged with the Authority under section 305B of the Act shall be signed —

(a) where the person making the offer of units in a collective investment scheme is the responsible person for the scheme, by every director or equivalent person of the responsible person and every person who is named therein as a proposed director or an equivalent person of the responsible person; and

(b) where the person making the offer of units in a collective investment scheme is not the responsible person for the scheme —

(i) if the responsible person is controlled by —

(A) the person making the offer;

(B) one or more of the related parties of the person making the offer; or

(C) the person making the offer and one or more of his related parties,

by the persons referred to in sub-paragraph (a) and the persons referred to in sub-paragraph (ii)(A) or (B), as the case may be; and

(ii) in any other case —

(A) if that person is an entity, by every director or equivalent person of that entity; or

(B) if that person is an individual, by the individual or a person authorised by him in writing.

(4) A requirement under paragraph (3) for the offer information statement to be signed by a director or an equivalent person is satisfied if the offer information statement is signed —

(a) by that director or equivalent person; or

(b) by a person who is authorised in writing by that director or equivalent person to sign on his behalf.

(5) A requirement under paragraph (3) for the offer information statement to be signed by a person named therein as a proposed director or an equivalent person is satisfied if the offer information statement is signed —

(a) by that proposed director or equivalent person; or

(b) by a person who is authorised in writing by that proposed director or equivalent person to sign on his behalf.

Exemption from requirement for expert's consent under section 249(1) of Act

35.—(1) Section 249(1) of the Act read with section 302 of the Act shall not apply to a prospectus or profile statement which includes a relevant statement if —

(a) the prospectus or profile statement relates to an offer of units in a collective investment scheme; and

(b) the conditions referred to in paragraph (3) are satisfied.

(2) Section 249(1) of the Act read with section 305B(4) of the Act and, notwithstanding regulation 34(1), paragraphs 36 and 37 of the Seventh Schedule shall not apply to an offer information statement

under section 305B(1) of the Act which includes a relevant statement if —

- (a) the offer information statement relates to an offer of units in a collective investment scheme; and
 - (b) the conditions referred to in paragraph (3) are satisfied.
- (3) The conditions referred to in paragraphs (1) and (2) are that —
- (a) the relevant statement —
 - (i) is not made by the expert in connection with the offer concerned in the prospectus or profile statement or the offer information statement, as the case may be;
 - (ii) is not made by the expert for the sole benefit of the collective investment scheme concerned; and
 - (iii) does not relate specifically to the affairs of the collective investment scheme concerned;
 - (b) the expert is a person whom the persons signing the prospectus or profile statement or the offer information statement, as the case may be, reasonably believe to be an expert who —
 - (i) has no material interest in the success of the issue or sale of the units; and
 - (ii) is not acting at the instigation of, or by arrangement with, the collective investment scheme concerned, the manager for the scheme, the trustee for the scheme, a director or an equivalent person of the scheme, manager or trustee, a proposed director or an equivalent person of the scheme, manager or trustee, or a person who has a material interest in the success of the issue or sale of the units;
 - (c) the relevant statement is a correct and fair copy or a representation of, or an extract from, a statement made or information published by a source which the persons signing the prospectus or profile statement or the offer information statement, as the case may be, reasonably believe to be reliable; and

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- (d) wherever the relevant statement appears in the prospectus or profile statement or the offer information statement, there shall be included in the prospectus, profile statement or offer information statement, as the case may be —
- (i) a statement that the expert has not consented to the inclusion of the relevant statement for the purposes of section 249 of the Act (read with section 302(1) or 305B(4) of the Act, as the case may be), and is therefore not liable for the relevant statement under sections 253 and 254 of the Act (read with section 302(1) or 305B(4) of the Act, as the case may be);
 - (ii) any disclaimer made by the expert in relation to reliance on the contents of the relevant statement which the persons signing the prospectus, profile statement or offer information statement, as the case may be, are reasonably aware;
 - (iii) a statement as to whether the persons signing the prospectus, profile statement or offer information statement, as the case may be, have verified the accuracy of the contents of the relevant statement;
 - (iv) a statement as to whether the persons signing the prospectus, profile statement or offer information statement, as the case may be, have included the relevant statement in its proper form and context in the prospectus, profile statement or offer information statement, as the case may be; and
 - (v) a proper citation identifying the source of, and the location within the source of, the relevant statement, including, where available, the following details of the source:
 - (A) each author or editor;
 - (B) the title;
 - (C) the publication date and every revision date;and

(D) where the source is published on an Internet website, the uniform resource locator (URL) and version date.

(4) In this regulation, “relevant statement” means a statement purporting to be made by, or to be based on a statement made by, an expert.

[S 469/2012 wef 01/10/2012]

Exemption from sections 304A(1) and 305A(1), (2) and (3) of Act

36. Sections 304A(1) and 305A(1), (2) and (3) of the Act shall not apply where the units in a collective investment scheme acquired are of the same class as other units in the scheme —

(a) in respect of which —

(i) an offer has previously been made in; or

(ii) the listing for quotation has previously been accompanied by,

an offer information statement, an introductory document, a unitholders’ circular for a reverse takeover, a document issued for the purposes of a trust scheme or other similar document approved by a securities exchange; and

(b) which are listed for quotation on a securities exchange.

[S 469/2012 wef 01/10/2012]

Exemption for offer to existing participants

37.—(1) Subdivision (3) of Division 2 of Part XIII of the Act shall not apply to any person who makes an offer of units in a collective investment scheme where —

(a) the offer is made to any existing participant of the scheme; and

(b) the units being offered are uniform in all respects with units previously issued to and currently owned by the existing participant.

[S 469/2012 wef 01/10/2012]

(2) Subdivision (3) of Division 2 of Part XIII of the Act shall not apply to a responsible person of a collective investment scheme —

- (a) that is a trust;
- (b) that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes; and
- (c) all or any of the units of which are listed for quotation on a securities exchange,

who makes an offer of units in the scheme to existing participants of the scheme.

[S 469/2012 wef 01/10/2012]

PART VI

EXTRA-TERRITORIAL APPLICATION OF DIVISION 2 OF PART XIII OF ACT

Non-applicability of section 339 (2) of Act under certain circumstances

38.—(1) Section 339(2) of the Act does not apply to an offer of units in a collective investment scheme made outside Singapore if —

- (a) the number of enquiries or applications from persons in Singapore in response to such offer is insubstantial;
- (b) the number of persons in Singapore to whom the offer is made is insubstantial;
- (c) the number of persons in Singapore to whom the units which are the subject of the offer are issued is insubstantial; and
- (d) the contributions of the participants in Singapore pursuant to the offer is insubstantial.

(2) Notwithstanding that an offer referred to in paragraph (1) does not satisfy the conditions in that paragraph, section 339(2) of the Act does not apply to that offer if —

- (a) the offer is not denominated in Singapore dollars;

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- (b) there are in place proper systems or procedures to prevent persons in Singapore from subscribing for or purchasing the units, and adequate checks to ensure that these systems or procedures are effective;
 - (c) the offer is not made to or directed at persons in Singapore, whether electronically or otherwise;
 - (d) there is in place a prominent disclaimer in relation to the offer comprising a statement referred to in paragraph (3);
 - (e) the materials used for the offer do not contain any information which is specifically relevant to persons in Singapore; and
 - (f) the offer is not referred to in, or directly accessible from, any source which is intended for persons in Singapore.
- (3) For the purposes of paragraph (2)(d), the disclaimer must comprise a statement to the effect that the offer to which it relates —
- (a) is made to or directed at only persons outside Singapore; and
 - (b) may be acted upon only by persons outside Singapore.
- (4) In this regulation, “offer” includes an advertisement of such an offer.

PART VII

REVOCATION, TRANSITIONAL AND SAVINGS

Revocation

39. The Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations (Rg 2) are revoked.

Prospectus, etc., lodged in compliance with Regulations in force immediately before date of commencement of these Regulations

40.—(1) Notwithstanding anything in these Regulations —

- (a) any prospectus that was lodged with the Authority before the date of commencement of these Regulations; and
- (b) any amendment to a prospectus referred to in sub-paragraph (a) which is or was lodged with the Authority, whether before, on or after the date of commencement of these Regulations,

which contains the particulars set out in the Third Schedule to the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations (Rg 2, 2004 Ed.) in force immediately before the date of commencement of these Regulations shall be treated as if it contains the particulars set out in the Third Schedule to these Regulations.

(2) In paragraph (1), “prospectus” includes a supplementary prospectus or replacement prospectus lodged with the Authority in respect of a prospectus at any time after the registration of the prospectus by the Authority.

41. [*Deleted by S 420/2009 wef 01/10/2009*]

FIRST SCHEDULE

Regulations 4 and 6

FEES

<i>No.</i>	<i>Provision of Act or Regulations</i>	<i>Matter</i>	<i>Amount</i>
1.	Section 286 (1)	For every application to the Authority for authorisation of a collective investment scheme. For the avoidance of doubt, in the case of umbrella funds, the application fee	\$1,200

FIRST SCHEDULE — *continued*

		will be charged on a per sub-fund basis.	
2.	Section 287 (1)	For every application to the Authority for recognition of a collective investment scheme.	\$1,200
		For the avoidance of doubt, in the case of umbrella funds, the application fee will be charged on a per sub-fund basis.	
3.	Section 289 (1)	For every application to the Authority for approval to act as a trustee for collective investment schemes.	\$500
4.	Regulation 6	For the year that a public company is approved to act as trustee for collective investment schemes and each year that the public company continues to be so approved.	\$2,000
5.	Section 296 (1)	For lodgment of —	
		(a) any prospectus in respect of a collective investment scheme where —	\$350
		(i) a prospectus in respect of an offer or invitation of units in such collective investment scheme has been previously registered by the Authority; or	

FIRST SCHEDULE — *continued*

		(ii) that scheme is a sub-fund of an existing umbrella fund and a prospectus in respect of other sub-funds of that umbrella fund has been previously registered by the Authority; or	
		(b) any other prospectus.	\$1,200
		For the avoidance of doubt, the lodgment fee will be charged on a per prospectus basis, regardless of the number of schemes or sub-funds in each prospectus.	
6.	Section 296 (2)	For lodgment of —	
		(a) any profile statement in respect of a collective investment scheme where —	\$350
		(i) a profile statement in respect of an offer or invitation of units in such collective investment scheme has been previously registered by the Authority; or	

FIRST SCHEDULE — *continued*

		(ii) that scheme is a sub-fund of an existing umbrella fund and a profile statement in respect of other sub-funds of that umbrella fund has been previously registered by the Authority; or	
		(b) any other profile statement.	\$600
		For the avoidance of doubt, the lodgment fee will be charged on a per profile statement basis, regardless of the number of schemes or sub-funds in each profile statement.	
7.	Section 296 (7)	For lodgment of any amendment to a prospectus or profile statement.	\$600
		For the avoidance of doubt, the lodgment fee will be charged on a per prospectus or profile statement basis, regardless of the number of schemes or sub-funds in each prospectus or profile statement, as the case may be.	
8.	Section 298 (1) and (2)	For lodgment of any supplementary or replacement prospectus.	\$1,200

FIRST SCHEDULE — *continued*

			For the avoidance of doubt, the lodgment fee will be charged on a per supplementary or replacement prospectus basis, regardless of the number of schemes or sub-funds in each supplementary or replacement prospectus, as the case may be.	
9.	Section 298(1) and (2)		For lodgment of any supplementary or replacement profile statement.	\$600
			For the avoidance of doubt, the lodgment fee will be charged on a per supplementary or replacement profile statement basis, regardless of the number of schemes or sub-funds in each supplementary or replacement profile statement, as the case may be.	
10.	Paragraph 2(1) of the Sixth Schedule to these Regulations		For every notification of an offer of units in a restricted scheme submitted to the Authority.	\$250
11.	Paragraph 6 of the Sixth Schedule to these Regulations		For every annual declaration in respect of a restricted Singapore scheme or restricted foreign scheme lodged with the Authority.	\$50
12.	—		For lodgment of any other document with the Authority, where the fee is	\$10

FIRST SCHEDULE — *continued*

		not specified in this Schedule.	
13.	Section 302 (read with section 247 (1))	For every application to the Authority for an exemption from requirements as to form and content of a prospectus or profile statement.	\$50
14.	Section 302 (read with section 249 (3))	For every application to the Authority for an exemption from section 249 of the Act.	\$100
15.	Section 300 (9)	For every application to the Authority for an exemption from section 300 of the Act.	\$100
16.	Section 305B (1) (a)	For lodgment of any offer information statement.	\$420
17.	Section 305B (3)	For every application to the Authority for the modification of the form and content of the offer information statement.	\$50
18.	Section 306 (1)	For every application to the Authority for an exemption from all or any of the provisions of Division 2 of Part XIII of the Act or any regulations made thereunder.	\$100
19.	Section 317	For supplying a photographic or microprint copy of, or extract from, any record kept by the Authority.	\$1 for each page or part thereof
20.	Section 317	For supplying and certifying a photographic or microprint copy of, or	\$2 for each page or part thereof.

FIRST SCHEDULE — *continued*

extract from, any record
kept by the Authority.

The fees specified in items 19 and 20 are inclusive of the goods and services tax chargeable under the Goods and Services Tax Act (Cap. 117A). No goods and services tax is chargeable for the other items.

[S 420/2009 wef 01/10/2009]

[S 469/2012 wef 01/10/2012]

SECOND SCHEDULE

Regulation 8(4)(d)

REQUIREMENTS RELATING TO THE PURCHASE OF UNITS FROM
PARTICIPANTS IN A COLLECTIVE INVESTMENT SCHEME BY THE
MANAGER FOR THE SCHEME IN THE CIRCUMSTANCES SET OUT IN
REGULATION 8 (4) (d)

1. Where any offer to purchase units in a collective investment scheme (referred to in this Schedule as the Scheme) is required to be made as a result of the occurrence of an event referred to in sub-paragraph (d) (i) or (ii) of regulation 8(4), the manager for the Scheme shall, subject to paragraph 10 of this Schedule —

- (a) make an announcement of the offer to all participants in the Scheme within 16 days after the occurrence of the event; and
- (b) make the offer within 30 days after the occurrence of the event.

2. Where any offer to purchase units in the Scheme is made, at least 10% of the total value of the assets of the Scheme shall be made available to satisfy purchase requests received by the manager for the Scheme from the participants in the Scheme pursuant to the offer.

3. The manager for the Scheme shall give adequate notice to all participants in the Scheme of any offer to purchase units in the Scheme.

4. Any offer to purchase units in the Scheme shall state —

- (a) the indicative price at which each unit will be purchased;
- (b) the period during which the offer will remain open;
- (c) the assets and borrowings of the Scheme which are to be made available to satisfy purchase requests received by the manager for the Scheme from the participants in the Scheme pursuant to the offer and,

SECOND SCHEDULE — *continued*

in the case of non-cash assets, the amount of cash that is expected to be available from the sale of such assets;

(d) that —

- (i) if the total amount of cash (including cash from the sale of non-cash assets and borrowings, if any) which is to be made available to satisfy purchase requests made by the participants in the Scheme pursuant to the offer (referred to in this Schedule as the total available amount of cash) is sufficient to satisfy all purchase requests received by the manager for the Scheme from the participants in the Scheme pursuant to the offer, all purchase requests will be satisfied in full; and
- (ii) if the total available amount of cash is insufficient to satisfy all purchase requests made by the participants in the Scheme pursuant to the offer, the purchase requests will be satisfied on a pro-rata basis in proportion to the number of units which is the subject of each purchase request;

(e) that the actual price at which units are to be purchased (as determined by reference to the latest available valuations of the assets of the Scheme, after deducting appropriate transaction costs) may differ from the indicative price referred to in sub-paragraph (a) due to changes in the value of the assets of the Scheme during the offer period;

(f) that a participant in the Scheme shall, when making a purchase request, state whether he wishes to proceed with the purchase if his purchase request cannot be satisfied in full;

(g) that purchase requests made by participants in the Scheme pursuant to the offer will be satisfied within 30 days after the closing date of the offer unless such period is extended in accordance with paragraph 7 of this Schedule; and

(h) that the offer may be withdrawn in accordance with paragraph 9 of this Schedule.

5. Where any offer to purchase units in the Scheme is made as a result of the occurrence of an event specified in —

- (a) sub-paragraph (d)(i) of regulation 8(4), the offer shall remain open for a period of not less than 21 days but not more than 35 days, except where trading in the units in the Scheme resumes as specified in paragraph 10 of this Schedule, in which case the manager shall comply with that paragraph; or

SECOND SCHEDULE — *continued*

- (b) sub-paragraph (d)(ii) of regulation 8(4), the offer shall remain open for a period of not less than 21 days but not more than 35 days.
6. No purchase request made by a participant in the Scheme pursuant to any offer to purchase units in the Scheme shall be satisfied until after the closing date of the offer.
7. All purchase requests made by the participants in the Scheme pursuant to any offer to purchase units in the Scheme shall be satisfied within 30 days after the closing date of the offer, but such period may be extended —
- (a) to 60 days after the closing date of the offer if the manager for the Scheme satisfies the trustee for the Scheme that such extension is in the best interest of the participants in the Scheme; or
- (b) beyond 60 days after the closing date of the offer if such period of extension is approved by all participants in the Scheme.
8. Where the total available amount of cash is sufficient to satisfy all purchase requests made by the participants in the Scheme pursuant to the offer, all purchase requests shall be satisfied in full.
9. Where the total available amount of cash is insufficient to satisfy all purchase requests made by the participants in the Scheme pursuant to the offer, the purchase requests shall be satisfied on a pro-rata basis, in proportion to the number of units in the Scheme which is the subject of each purchase request.
10. Where trading in the units in the Scheme resumes on a securities exchange within 30 days after the occurrence of the event specified in sub-paragraph (d) (i) of regulation 8(4) —
- (a) the manager for the Scheme need not make an offer to purchase units in the Scheme; or
- (b) if the manager for the Scheme has, prior to the resumption of trading in the units in the Scheme, made such an offer, the offer may be withdrawn by the manager, subject to the manager satisfying all purchase requests made by the participants in the Scheme pursuant to the offer which were received by the manager before the withdrawal of the offer.
11. Where any offer to purchase units in the Scheme has been made as a result of the occurrence of an event specified in sub-paragraph (d) (i) or (ii) of regulation 8(4), the manager for the Scheme shall offer to purchase units in the Scheme at least once every year from the closing date of the last offer to purchase units and, in the case of the event specified in sub-paragraph (d) (i) of regulation 8(4), an offer shall continue to be made with that frequency for as

SECOND SCHEDULE — *continued*

long as trading in the units in the Scheme does not resume on a securities exchange.

THIRD SCHEDULE

Regulation 11

REQUIREMENTS FOR PREPARATION OF A PROSPECTUS (UNDER
SECTION 296 (1) OF THE ACT) FOR AN OFFER OF UNITS IN A
COLLECTIVE INVESTMENT SCHEME

Part	
I	Basic information
II	The Manager
III	The Representative
IV	The Trustee (or the custodian)
V	Other parties
VI	Structure of the Scheme
VII	Investment objectives, focus and approach
VIII	Collective investment scheme included under the CPF Investment Scheme
IX	Fees and charges
X	Risks
XI	Subscription of units
XII	Regular savings plan (RSP)
XIII	Realisation of units
XIV	Switching of units
XV	Obtaining prices of units
XVI	Suspension of dealings
XVII	Performance of the Scheme
XVIII	Soft dollar commissions/arrangements
XIX	Conflict of interests
XX	Reports

THIRD SCHEDULE — *continued*

- XXI Specialised collective investment scheme
 - XXII Queries and complaints
 - XXIII Other material information
- Appendices

[S 191/2013 wef 01/07/2013]

I — BASIC INFORMATION

1. State the name of the collective investment scheme (referred to in this Schedule as the Scheme) on the front cover of the prospectus.

2. State the date of registration and expiry date of the prospectus.

3. State the place of constitution of the Scheme.

4. Where the Scheme is constituted as a unit trust, provide a list of the current trust deed and supplemental deeds (if any) and their corresponding dates, as well as information on where these may be inspected. Where the Scheme is not constituted as a unit trust, state where the constituent documents of the Scheme may be inspected.

5. In the case of an existing scheme, state where the latest semi-annual accounts or annual accounts, and semi-annual report or annual report, may be obtained.

5A. In relation to a prospectus that is lodged with the Authority pursuant to section 296(1) of the Act on or after 1st July 2013, state the method of valuation adopted in respect of the investments of the Scheme.

[S 191/2013 wef 01/07/2013]

6. State the following disclaimer:

“The collective investment scheme offered in this prospectus is {an authorised/a recognised¹} scheme under the Securities and Futures Act. A copy of this prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the prospectus. Registration of the prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the collective investment scheme.”

7. Where the Scheme is one that is granted recognition under section 287 of the Act —

- (a) state that the Scheme is constituted outside Singapore;

¹to state accordingly

THIRD SCHEDULE — *continued*

- (b) state the place of constitution of the Scheme; and
- (c) in the case where the prospectus includes and incorporates an offer document in respect of the Scheme registered outside Singapore, provide a statement to that effect,

on the front cover of the prospectus.

- 8. Provide a table of contents.

II — THE MANAGER

9. State the name and address of the manager for the Scheme (referred to in this Schedule as the Manager).

9A. In relation to a prospectus that is lodged with the Authority pursuant to section 296(1) of the Act on or after 1st July 2013, with respect to each of the directors and key executives of the Manager, state the names, details of relevant past working experience, educational and professional qualifications, if any, and areas of expertise or responsibility in the Manager.

[S 191/2013 wef 01/07/2013]

9B. In relation to a prospectus that is lodged with the Authority pursuant to section 296(1) of the Act on or after 1st July 2013, where the Manager delegates any of its functions to a third-party, state the function that has been delegated and the name of the delegate.

[S 191/2013 wef 01/07/2013]

10. State the track record of the Manager. For this purpose —

- (a) state the number of years the Manager has managed collective investment schemes or discretionary funds, whether in Singapore or elsewhere (if applicable); and
- (b) where the Scheme invests in another scheme (referred to in this Schedule as the underlying fund) and such investment constitutes 30% or more of the asset value of the Scheme, or where 30% or more of the asset value of the Scheme is submanaged by another manager, state the track record of the manager for the underlying fund¹ or submanager² respectively.

¹For this purpose, the amount invested in underlying funds which are managed by fund management companies (FMCs) within the same group, or which are sub-funds of the same umbrella fund, should be aggregated. In such cases, either the track record of each FMC or the track record of the group may be disclosed. Where the Scheme invests substantially in more than one underlying fund managed by unrelated FMCs, state the information for *each* FMC (or group).

²For this purpose, the amount submanaged by FMCs within the same group should be aggregated. In such cases, either the track record of each submanager or the track record of the group may be disclosed. Where the Scheme is substantially submanaged by more than one unrelated submanagers, state the information for *each* submanager (or group).

THIRD SCHEDULE — *continued*

10A. In relation to a prospectus that is lodged with the Authority pursuant to section 296(1) of the Act on or after 1st July 2013, state the name of the financial supervisory authority which licenses or regulates the Manager in its principal place of business and, where applicable, the name of the financial supervisory authority of the manager of the underlying fund referred to in paragraph 10(b) and of each submanager referred to in paragraph 10(b).

[S 191/2013 wef 01/07/2013]

III — REPRESENTATIVE

11. Where the Scheme is constituted outside Singapore, state the name and address of the representative for the Scheme.

IV — THE TRUSTEE (OR THE CUSTODIAN)

12. In relation to a prospectus that is lodged with the Authority pursuant to section 296(1) of the Act on or after 1st July 2013, state the names of the following:

- (a) where the Scheme is constituted as a unit trust, the name of the trustee for the Scheme (referred to in this Schedule as the Trustee), as well as (where the Trustee has delegated the safekeeping of the assets of the Scheme to a custodian) the name of the custodian;
- (b) where the Scheme is constituted other than as a unit trust, the name of the custodian.

[S 191/2013 wef 01/07/2013]

12A. In relation to a prospectus that is lodged with the Authority pursuant to section 296(1) of the Act on or after 1st July 2013, state whether the Trustee or the custodian is licensed or regulated by any financial supervisory authority in its principal place of business and, if so, the name of the financial supervisory authority.

[S 191/2013 wef 01/07/2013]

12B. In relation to a prospectus that is lodged with the Authority pursuant to section 296(1) of the Act on or after 1st July 2013, state the custodial arrangement in respect of the assets of the Scheme.

[S 191/2013 wef 01/07/2013]

V — OTHER PARTIES

13. State the name of the investment adviser³ (if any).

14. State the name of the registrar for the Scheme and where the register of participants can be inspected.

³Person who advises the Manager in his management of the Scheme. The Manager retains full discretion over the investments of the Scheme.

THIRD SCHEDULE — *continued*

15. State the name of the auditor for the Scheme.

VI — STRUCTURE OF THE SCHEME

16. State whether the Scheme is a single fund or umbrella fund.

17. Where the Scheme —

- (a) is a feeder fund, state the name, country of domicile and manager for each underlying fund;
- (b) is a fund of funds, state or give a summary of the countries of domicile and manager or managers for the underlying funds; or
- (c) is submanaged, state the name and country of domicile of the submanager.

VII — INVESTMENT OBJECTIVES, FOCUS AND APPROACH

18. State the Scheme's investment objectives (e.g. income or capital growth).

19. State the Scheme's investment focus. For this purpose, state —

- (a) the types of investment (e.g. whether equity, debt, money market or derivatives);
- (b) the countries or markets in which the Scheme invests (e.g. whether country-specific or global, emerging or developed markets); and
- (c) the target industry or sector, where applicable.

20. State the Manager's investment approach. For this purpose —

- (a) describe how the Manager or submanager selects investments for the portfolio of the Scheme, or, in the case of a fund of funds, how the Manager selects the underlying funds; and
- (b) where the Scheme invests substantially (i.e. 30% or more of the asset value of the Scheme) in another fund, disclose the investment approach of the manager for the underlying fund.

VIII — COLLECTIVE INVESTMENT SCHEME INCLUDED UNDER THE CPF INVESTMENT SCHEME

21. If the Scheme is included under the CPF Investment Scheme, state that fact and the risk classification of the Scheme.

IX — FEES AND CHARGES

22. Set out the fees and charges in a table, in the following order. Where there is a provision for a maximum fee or charge payable, state that maximum.

THIRD SCHEDULE — *continued*

Payable by the investor

- (a) Subscription fee or preliminary charge;
- (b) Realisation fee;
- (c) Switching fee;
- (d) Any other fee.

Payable by the Scheme

- (a) Management fee;
- (b) Trustee fee (where the Scheme is constituted as a unit trust);
- (c) Fees charged by other funds which the Scheme invests in⁴, including —
 - (i) subscription fee or preliminary charge;
 - (ii) realisation fee;
 - (iii) management fee;
 - (iv) performance fee (if applicable);
 - (v) trustee or custodian fee;
 - (vi) any other substantial fee or charge (i.e. 0.1% or more of the underlying fund's asset value);
- (d) Performance fee (if applicable);
- (e) Guarantee fee (if applicable);
- (f) Any other substantial fee or charge (i.e. 0.1% or more of the Scheme's asset value).

Where a fee or charge in (f) is expected to be substantial but is currently indeterminable, state that fact and explain why it cannot be determined currently.

X — RISKS

23. Provide warning statements on the general risks of investing in the Scheme:

Example 1: "Investment in a collective investment scheme is meant to produce returns over the long-term. Investors should not expect to obtain short-term gains from such investment.";

⁴Where fees charged by the underlying fund are waived or where rebates are given for a limited period of time, state the period (where applicable) and include the gross fees payable by the Scheme.

THIRD SCHEDULE — *continued*

Example 2: “Investors should be aware that the price of units in a collective investment scheme, and the income from them, may fall or rise. You may not get back your original investment.”.

24. State the risks specific to the Scheme. For this purpose —

- (a) describe and explain any major risk peculiar to the Scheme, including any risk arising from the markets, countries or sectors in which the Scheme invests:

Example 1: “The collective investment scheme’s assets will primarily be invested in securities of companies in developing countries and substantially all income will be received by the scheme in currencies of such countries. A number of the currencies of developing countries have experienced significant declines against the US Dollar and Singapore Dollar in recent years and depreciation may occur after the investment in these currencies by the scheme. The value of the assets of the scheme as measured in Singapore dollars would be affected unfavourably by any such depreciation, if and when they occur.”;

Example 2: “The economic prospects of healthcare industries are generally subject to greater influences from governmental policies and regulations than those of other industries. A substantial portion of healthcare services and related scientific research is funded or subsidised by government and changes in governmental policies such as reductions in the funding by third-party payment programs may have a material effect on the demand for products and services of these industries. Regulatory approvals, which may often entail lengthy application and testing procedures are generally required before new drugs and certain medical devices and procedures may be introduced.”;

- (b) where the Scheme has any investment(s) that are not denominated in the same currency as the units in the Scheme, disclose whether the Manager intends to hedge the foreign currency exposure and, if so, how it will do so (e.g. whether an active or passive hedging policy will be adopted);
- (c) where the Scheme is not denominated in Singapore dollars, disclose whether the Manager intends to fully hedge the foreign currency exposure and, if not, state that investors will be exposed to exchange rate risks; and

THIRD SCHEDULE — *continued*

- (d) where the Scheme is exempted from the 10% single party limit under Appendix 1 of the Code on Collective Investment Schemes, state that fact and the risks of over-concentration.

XI — SUBSCRIPTION OF UNITS

25. State how units in the Scheme can be purchased and how they are to be paid for.

26. State the minimum initial subscription amount and minimum subsequent subscription amount.

27. In the case of a new scheme, state the initial purchase price and initial offer period.

28. State, in plain English, the dealing deadline and whether pricing is done on a forward or historical basis:

Example (for forward pricing): “If you buy before x p.m. on a business day, the price you pay will be based on the net asset value of the scheme at the close of that business day. If you buy after x p.m., the price you pay will be based on the net asset value at the close of the next business day.”.

29. Give a numerical example of how the number of units allotted to an investor under a single or dual pricing system is derived, based on an investment of \$1,000 or the minimum initial subscription amount:

Example 1 (for single pricing): “The number of units you receive with an investment of \$1,000 will be calculated as follows.”;

Example 2 (for dual pricing): “The number of units you receive with an investment of \$1,000 will be calculated as follows.”.

The example should illustrate the effect of all fees or charges payable by, and any discounts or bonus units given to, the investor. (Where a variety of discounts or bonus units are offered, the Manager should disclose that fact, but need only select one for the purpose of the example).

30. State the period within which a participant of the Scheme will be sent a confirmation of his purchase.

31. Where the launch of a new scheme or the continued operation of an existing scheme is conditional upon a minimum fund size, state that fact and the minimum fund size.

32. In the case of a new scheme where the Manager has a right not to proceed with the launch of the Scheme and to return the contributions of the applicants to

THIRD SCHEDULE — *continued*

the Scheme, state this fact, the circumstances under which this may occur (e.g. where a minimum fund size is not reached) and whether the refund will include any interest accrued.

33. Where there are 2 or more different classes of units available for subscription, describe the features of each class and the rights or obligations of participants in each class.

XII — REGULAR SAVINGS PLAN (RSP)

34. Provide details of any RSP, including the minimum amount of periodic contributions, when monies are deducted from the investor's account and when the units subscribed are allotted to the investor each month.

35. State that investors may cease participation in the RSP, without suffering any penalty, by notice in writing of a specified period to the Manager. That period should be no longer than the period between the regular subscriptions.

XIII — REALISATION OF UNITS

36. State how units in the Scheme can be redeemed or sold.

37. State the minimum holding amount and minimum realisation amount (if applicable).

38. State the dealing deadline and whether pricing is done on a forward or historical basis in plain English:

Example (for forward pricing): "If you sell before x p.m. on a business day, you will be paid a price based on the net asset value of the scheme at the close of that business day. If you sell after x p.m., you will be paid a price based on the net asset value at the close of the next business day."

39. Give a numerical example of how the amount paid to an investor under a single or dual pricing system is calculated, based on the sale of 1,000 units in the Scheme or the minimum realisation amount, and taking into account all fees or charges payable by the investor upon realisation.

40. State the period within which realisation proceeds will be paid to investors.

XIV — SWITCHING OF UNITS

41. State the procedure for switching of units (where applicable).

XV — OBTAINING PRICES OF UNITS

42. State how investors may obtain the buying and selling prices of units in the Scheme and the dealing days to which the prices apply. Where prices are available

THIRD SCHEDULE — *continued*

from certain publications or media in Singapore, state the names of such publications or media.

XVI — SUSPENSION OF DEALINGS

43. Describe any exceptional circumstances under which the issue or redemption of units may be suspended.

XVII — PERFORMANCE OF THE SCHEME**Past performance of the Scheme (where applicable)**

44. Where the Scheme has been constituted —

(a) for at least one year, disclose the return on the Scheme over the last one year and where applicable, the return on the Scheme over the last 3, 5 and 10 years and since the inception of the Scheme; or

(b) for less than 12 months and —

(i) the Scheme invests substantially (i.e. 30% or more of the asset value of the Scheme) in an existing underlying fund with a track record of at least one year, disclose the performance of the underlying fund over the last one year and, where applicable, the return on the underlying fund over the last 3, 5 and 10 years and since the inception of the underlying fund, and state an appropriate warning regarding its limitations as a proxy for the performance of the Scheme; or

(ii) does not fall within sub-paragraph (i), state the fact that a track record of at least one year is not available.

45. State the return on the Scheme calculated on an offer-to-bid or single pricing basis (taking into account any subscription fee and realisation fee) and include a statement that the return is calculated on this basis.

46. For the purposes of the calculation referred to in paragraph 45, where the realisation fee for the Scheme depends on the duration that a participant owns units in the Scheme, the realisation fee taken into account for the calculation shall be that which applies for the duration for which the return is calculated.

47. Where dividends have been declared or distributions have been made by the Scheme, state the return on the Scheme, calculated on the assumption that all dividends and distributions are reinvested, taking into account all charges which would have been payable upon such reinvestment, and include a statement that the return is calculated on this basis.

THIRD SCHEDULE — *continued*

48. Where the total return on the Scheme is presented for a period exceeding one year, state the average annual compounded return on the Scheme over the same period.

49. Indicate the period to which the return on the Scheme relates, of which —

- (a) the last day of the period shall not be earlier than 3 months prior to the date of registration of the prospectus; and
- (b) the first day and last day of the period shall be determined on either of the following bases:
 - (i) the first business day or last business day of a month;
 - (ii) the first dealing day or last dealing day of the Scheme in a month.

50. Include an appropriate warning that any past performance of the Scheme is not necessarily indicative of the future performance of the Scheme.

51. The prospectus must not contain any information on past performance based on simulated results of a hypothetical collective investment scheme.

Comparison of past performance of the Scheme with that of another collective investment scheme or an index

52. Where the prospectus includes a comparison of the past performance of the Scheme with that of another collective investment scheme —

- (a) such other collective investment scheme must have investment objectives and an investment focus which are similar to those of the Scheme; and
- (b) the comparison must be made on an offer-to-bid basis and that basis shall be stated in the prospectus.

53. Where the prospectus includes a comparison of the past performance of the Scheme with that of an index —

- (a) such index must be the benchmark for the Scheme or an index which reflects the investment focus of the Scheme; and
- (b) the comparison must be made on an offer-to-bid basis or a bid-to-bid basis and the basis on which the comparison is made shall be stated in the prospectus.

54. Any comparison of the past performance of the Scheme with that of another collective investment scheme or with an index must be made using a common currency and where the currency of the scheme is different from the currency of

THIRD SCHEDULE — *continued*

the other collective investment scheme or the index, conversion to the common currency must be based on prevailing exchange rates at the relevant time.

55. Any comparison of the past performance of the Scheme with that of another collective investment scheme or with an index must be based on a period of not less than one year, except where the Scheme has been constituted for less than 12 months, in which case, any such comparison must be based on a period commencing from the inception of the Scheme.

56. Paragraphs 45 to 51 shall apply to any Scheme in respect of which any comparison of the past performance is made with that of another collective investment scheme or with an index.

Comparison of past performance of the Scheme with that of another form of investment

57. Where the prospectus includes any comparison of the past performance of the Scheme with that of another form of investment —

- (a) such other form of investment must have a risk profile which is similar to that of the Scheme; and
- (b) the comparison must be made on an offer-to-bid basis and such basis shall be stated in the prospectus.

58. Any comparison of the past performance of the Scheme and that of another form of investment must be based on a period of not less than one year, except where the Scheme has been constituted for less than 12 months, in which case, any such comparison must be based on a period commencing from the inception of the Scheme.

59. Paragraphs 45 to 51 shall apply to any Scheme in respect of which any comparison of the past performance is made with that of another form of investment.

Performance of the Manager or submanager

60. Where the prospectus includes any information on the past or present performance, skills or techniques of the Manager or the submanager for the Scheme —

- (a) state the source of such information, where the source is not the Manager;
- (b) indicate the period to which the information relates; and
- (c) include a prominent statement that the past performance of the Manager or submanager is not necessarily indicative of its future performance.

THIRD SCHEDULE — *continued*

61. The prospectus must not present information on the past or present performance, skills or techniques of the Manager or submanager for the Scheme, or the past or present performance of any other collective investment scheme under the management of the Manager or submanager, in a selective or biased way, such that any particular success is exaggerated or any lack of success is disguised.

Future performance of the Scheme

62. Subject to paragraph 64, the prospectus must not —

- (a) include any prediction, projection or forecast as to the future or likely performance of the Scheme; or
- (b) use words such as “targeted” or “expected” or any similar words or description in relation to a rate of return.

63. The prospectus may include a prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets which are targeted by the Scheme but such prediction, projection or forecast must be accompanied by a prominent statement to the effect that the prediction, projection or forecast is not necessarily indicative of the future or likely performance of the Scheme.

64. Where the Scheme is one that is a trust and that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes, the prospectus may include a forecast or projection in relation to the Scheme provided that —

- (a) if the forecasted or projected yields of the units in the Scheme are stated in percentage terms —
 - (i) such yields are presented on an annualised basis; and
 - (ii) it is prominently stated in the prospectus that such yields are calculated based on the initial public offer price (stating such price) and that such yields will vary accordingly for investors who purchase units in the secondary market at a price higher or lower than the initial public offer price;
- (b) the assumptions underlying such forecast or projection are reasonable, and are stated clearly and explicitly in the prospectus; and
- (c) the forecast or projection is accompanied by the items referred to in paragraph 65.

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THIRD SCHEDULE — *continued*

65. The items referred to in paragraph 64(c) are —
- (a) a statement by an auditor of the Scheme as to whether such forecast or projection is —
 - (i) properly prepared on the basis of the assumptions;
 - (ii) consistent with accounting policies adopted by the Manager in respect of the Scheme; and
 - (iii) presented in accordance with acceptable accounting standards adopted by the Manager in the preparation of the financial statements of the Scheme;
 - (b) where —
 - (i) the forecast or projection is in respect of a period ending on a date not later than the end of the current financial year of the Scheme —
 - (A) a statement by the issue manager to the offer or any other person whose profession or reputation gives authority to the statement made by him, that the forecast or projection has been stated by the Manager after due and careful enquiry and consideration; or
 - (B) a statement by an auditor of the Scheme, prepared on the basis of his examination of the evidence supporting the assumptions and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the forecast or projection; or
 - (ii) the forecast or projection is in respect of a period ending on a date after the end of the current financial year of the Scheme —
 - (A) a statement by the issue manager to the offer or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the forecast or projection; or

THIRD SCHEDULE — *continued*

(B) a statement by an auditor of the Scheme, prepared on the basis of his examination of the evidence supporting the assumptions and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the forecast or projection;

(c) a sensitivity analysis; and

(d) a confirmation from the Manager that the forecast or projection has been properly prepared on the basis of appropriate and reasonable assumptions.

66. Where the return on the Scheme is guaranteed or, where the use of a prediction, projection or forecast as to the future performance of the Scheme has been allowed by the Authority under paragraph 64, the return, prediction, projection or forecast shall be presented on an average annual compounded basis.

Performance of benchmark (where applicable)

67. Disclose the benchmark against which the Scheme's performance is or will be measured. If a customised benchmark or combination of multiple benchmarks is used, describe how the benchmark is derived.

68. In the case of an existing scheme, disclose the performance of the benchmark over the last 1, 3, 5 and 10 years and since inception of the Scheme (where applicable).

69. If there has been a change in benchmark at any point in the life of the Scheme, state the fact and explain the reason for the change.

70. Where no benchmark is used, explain why no benchmark is used.

Expense ratio

71. In the case of an existing scheme, state the expense ratio of the Scheme⁵, and state that the following expenses (where applicable) are excluded from the calculation:

(a) brokerage and other transaction costs;

(b) foreign exchange gains and losses;

⁵The expense ratio should be calculated in accordance with the guidelines on the disclosure of expense ratios issued by the Investment Management Association of Singapore and based on figures in the Scheme's latest audited accounts.

THIRD SCHEDULE — *continued*

- (c) front-end or back-end loads arising from the purchase or sale of other funds;
- (d) tax deducted at source or arising from income received.

Turnover ratio

72. In the case of an existing scheme, state the turnover of the portfolio⁶ of the Scheme.

XVIII — SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

73.—(a) In the case of a new scheme, state whether the Manager, submanager, manager of an underlying fund into which the Scheme invests more than 10% of its asset value or any other person who executes trades for the underlying fund receives or intends to receive soft dollars as defined in the Code on Collective Investment Schemes in respect of the Scheme or the underlying fund.

(b) In the case of an existing scheme in which a person mentioned in sub-paragraph (a) receives soft dollars in respect of the Scheme or the underlying fund, describe the soft dollars received in respect of the Scheme or underlying fund (where such information is available).

XIX — CONFLICT OF INTERESTS

74.—(a) Describe any conflict of interests which exist or may arise in relation to the Scheme and its management. State whether these conflicts of interest will be resolved or mitigated and, if so, how they will be resolved or mitigated.

(b) The factors to be taken into account when determining if there is any conflict of interests to be described under sub-paragraph (a) include —

- (i) the nature and extent of the interests of the Trustee, Manager, investment adviser or submanager, or any of the directors of the Trustee, Manager, investment adviser or submanager, in respect of the Scheme or any property acquired or proposed to be acquired by the Scheme;
- (ii) any possibility of the Manager acquiring an interest in the Scheme;
- (iii) any affiliation between the Manager or submanager, or any of the directors of the Manager or submanager, and entities which provide services to the Scheme; and

⁶The turnover ratio should be calculated in accordance with the Code on Collective Investment Schemes. Where the Scheme invests substantially into another fund, disclose the turnover ratio of the underlying fund and state clearly the period to which the ratio applies.

THIRD SCHEDULE — *continued*

- (iv) where the Manager or submanager manages other collective investment schemes with a similar investment focus, how orders for transactions of the same property are allocated between the schemes.

XX — REPORTS

75. State the financial year-end of the Scheme and when participants of the Scheme can expect to receive the semi-annual accounts, annual accounts, semi-annual reports and annual reports.

XXI — SPECIALISED COLLECTIVE INVESTMENT SCHEME

76. If the Scheme is a specialised collective investment scheme as referred to in the Code on Collective Investment Schemes, state the specific warnings or additional information required under such of Appendices 1 to 7 as may be applicable.

XXII — QUERIES AND COMPLAINTS

77. Provide a telephone number at which investors may contact the Manager or, where the Scheme is constituted outside Singapore, the Singapore representative to seek any clarification about the Scheme.

XXIII — OTHER MATERIAL INFORMATION

78. State all other material information which investors and their professional advisers would reasonably require and expect to find in the prospectus, for the purpose of making an informed decision about the merits and risks of the Scheme.

Appendix 1 — Property Funds

The prospectus of a property fund shall disclose the following:

- (a) whether the property fund will have proper diversification of its investments and if so, the particulars of the diversification;
- (b) where the property fund proposes to invest in a single real estate asset or where there is a high concentration of its investments in real estate, this fact and the risks arising from the lack of diversification;
- (c) the property fund's policy on divestment of assets, including whether the proceeds are to be returned to investors or to be re-invested;
- (d) the particulars of interested-party transactions as required by the Code on Collective Investment Schemes;

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THIRD SCHEDULE — *continued*

- (e) a statement in respect of the real estate assets proposed to be bought by the property fund, including the location (country or region) and type or types of real estate (e.g. whether residential, commercial or industrial);
- (f) [*Deleted by S 469/2012 wef 01/10/2012*]
- (g) where the property fund has identified specific real estate assets to be bought, the period within which each transaction will be completed;
- (h) details of the property fund's permissible investments;
- (i) where the property fund proposes to invest in real estate subject to the Residential Property Act (Cap. 274), the prohibition on investments by foreign investors;
- (j) the expertise and experience of the Manager or its employees in managing property funds or in investing in or advising on real estate;
- (k) the expertise and experience of the adviser (if any), including a statement detailing the functions of the adviser;
- (l) details of all fees or commissions payable to the Manager, adviser or any interested party;
- (m) the frequency of valuation of the property fund's real estate assets;
- (n) the risks of investing in the property fund, including —
 - (i) the general risks associated with investing in real estate;
 - (ii) the risks specific to investing in property funds;
 - (iii) the particular risks of its proposed investments;
 - (iv) in the case of an unlisted property fund, the risk that an investor is unable to sell his investment readily; and
 - (v) in the case of a listed property fund exempted from the requirement to redeem, a clear statement to the effect that participants will have no right to request that the Manager redeem their units, and a warning to potential investors that being listed for quotation on the official list of any securities exchange does not guarantee a liquid market for these units;
- (o) if applicable, the frequency of and procedure for redemption, the realisation fees payable (if any) and the period within which redemption proceeds will be paid to participants of the property fund; and

THIRD SCHEDULE — *continued*

- (p) in the case of a listed property fund —
- (i) where the initial purchase price of each unit is not the net asset value per unit of the assets of or to be acquired by the property fund, the premium or discount to net asset value;
 - (ii) the total number of units to be issued during the initial offer period;
 - (iii) a statement to the effect that an application has been or will be made to, or permission has been granted by, a securities exchange for the units to be listed for quotation on that securities exchange, and the name of the securities exchange; and
 - (iv) if known, the dates on which units in the property fund will be listed for quotation on a securities exchange and the date on which trading will commence.

Appendix 2 — Money Market Funds

The first page of a money market fund (MMF) prospectus shall clearly state that —

- (a) the purchase of a unit in the MMF is not the same as placing funds on deposit with a bank or deposit-taking company;
- (b) although the Manager may seek to maintain or preserve the principal value of the MMF, there can be no assurance that the fund will be able to meet this objective; and
- (c) the MMF is not a guaranteed fund, in that there is no guarantee as to the amount of capital invested or return received.

In addition, the prospectus of an MMF shall disclose the maximum percentage of an MMF's deposited property that can be invested in derivatives for hedging, tactical asset allocation or efficient portfolio management.

Appendix 3 — Capital Guaranteed Funds

The prospectus of a capital guaranteed fund shall disclose the following:

- (a) the name and place of business of the guarantor, a brief description of its business, its financial position and its credit rating;
- (b) a statement that the guarantee does not give any assurance as to the future solvency of the guarantor itself;

THIRD SCHEDULE — *continued*

- (c) the material terms of the guarantee, including the scope, validity and enforceability of the guarantee and, in particular, the circumstances under which the guarantee may be terminated, such as —
 - (i) if the guarantor goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation);
 - (ii) if any law is passed which renders the agreement for the guarantee illegal or which, in the opinion of the Trustee, renders it impracticable to continue with the guarantee; or
 - (iii) if the capital guaranteed fund is voluntarily terminated;
- (d) the consequence or implication to participants with regard to the guarantee —
 - (i) if the Manager retires, is removed or is replaced; or
 - (ii) if there is a change in the guarantor by virtue of paragraph 2.2 (b) or 2.3 (b) in the Guidelines for Capital Guaranteed Funds contained in the Code on Collective Investment Schemes;
- (e) if the guarantee is for only a limited duration, the expiry date of the guarantee, and whether or not that period commences from the date of the initial launch of the capital guaranteed fund or from the date of the participant's investment in the capital guaranteed fund;
- (f) where applicable, that the guarantee only applies to participants of the capital guaranteed fund who hold their investment until the date specified in the guarantee and that any redemption before such date would be based on the net asset value of the fund on that date;
- (g) whether or not the guarantee is in respect of 100% of the monies paid by the participants or only in respect of the amount actually paid into the capital guaranteed fund (i.e. excluding any subscription fee or preliminary charge);
- (h) a statement to the effect that there may be a dilution of performance due to the guarantee structure being in place; and
- (i) any other matter relating to the guarantee that may be relevant to a potential investor in deciding whether or not to invest in the capital guaranteed fund.

THIRD SCHEDULE — *continued***Appendix 4 — Hedge Funds**

The cover page of a hedge fund prospectus shall clearly state the following:

- (a) that unlike other types of collective investment schemes, the Code on Collective Investment Schemes does not prescribe investment guidelines for hedge funds;
- (b) that an investment in the hedge fund carries risks of a different nature from other types of collective investment schemes which invest in listed securities and do not engage in short selling; and that the hedge fund may not be suitable for persons who are averse to such risks;
- (c) that in the case where the hedge fund is —
 - (i) not capital guaranteed or capital protected, investors **may lose all or a large part of their investment** in the hedge fund; or
 - (ii) capital guaranteed or capital protected, investors are subject to the credit risk of the guarantor or default risk of the issuer of the securities providing the protection;
- (d) that an investment in the hedge fund is not intended to be a complete investment programme for any investor and prospective investors should carefully consider whether an investment in the hedge fund is suitable for them in the light of their own circumstances, financial resources and entire investment programme; and
- (e) the frequency of redemption and the period within which realisation proceeds will be paid to investors.

In addition, the prospectus of a hedge fund shall disclose the following:

- (a) the material differences between the hedge fund and other types of collective investment schemes;
- (b) details of the hedge fund's risk management and monitoring procedures and internal controls, and a statement from the manager that, in its view, the procedures and controls are sufficient for the management of the hedge fund in accordance with its objectives stated in the prospectus;
- (c) a statement that the liability of investors is limited to their investment in the hedge fund;
- (d) in the case of a single hedge fund, the extent to which it may be leveraged;

THIRD SCHEDULE — *continued*

- (e) in the case of a hedge fund-of-funds —
 - (i) the strategies to be used to achieve diversification;
 - (ii) the criteria to be used to select underlying funds; and
 - (iii) the extent to which the underlying funds may be leveraged; and
- (f) in the case of a capital protected hedge fund or a capital guaranteed hedge fund, that the protection or guarantee is effective only at maturity of the hedge fund and if investors were to redeem their investment prematurely, there would be a risk of capital loss.

Appendix 5 — Futures and Options Funds

The first page of a futures and options fund prospectus shall clearly state that —

- (a) an investment in the futures and options fund carries risks of a different nature from other types of collective investment schemes which do not engage in short selling;
- (b) the futures and options fund may not be suitable for persons who are averse to such risks;
- (c) in the case where the futures and option fund is —
 - (i) not capital guaranteed, investors **may lose all or a large part of their investment** in the futures and options fund; or
 - (ii) capital guaranteed, investors are subject to the credit risk of the guarantor; and
- (d) an investment in the futures and options fund is not intended to be a complete investment programme for any investor and prospective investors should carefully consider whether an investment in the futures and options fund is suitable for them in the light of their own circumstances, financial resources and entire investment programme.

In addition, the prospectus of a futures and options fund shall disclose the following:

- (a) the type of financial futures contracts or financial options or gold, as may be applicable, that the futures and options fund will invest in;
- (b) the strategies to be used to achieve proper diversification; and
- (c) in the case of a dedicated futures and options fund as referred to in the Code on Collective Investment Schemes, that it will only invest in futures contracts or options concerning a single underlying financial instrument or commodity, or a specific class of underlying financial

THIRD SCHEDULE — *continued*

instruments or commodities, and the risks arising from the lack of diversification.

Appendix 6 — Currency Funds

The prospectus of a currency fund shall disclose the following:

- (a) where the currency fund intends to use currency derivatives such as forwards, swaps or options as part of its investment strategy —
 - (i) a prominent statement to that effect; and
 - (ii) the impact of the use of currency derivatives on the risk profile and volatility of the return of the currency fund;
- (b) the currency fund's quantitative risk management limits;
- (c) the Manager's risk management process;
- (d) the amount of the contract's underlying currencies, highly liquid currencies, eligible money market instruments or debt securities that the Manager intends to set aside to meet potential losses that could arise as a result of the currency fund's forward and swap contracts, and the type of currencies in which such instruments are denominated; and
- (e) the method used for determining the currency fund's exposure arising from a forward, swap, option or futures contract.

Appendix 7 — Recognised UCITS III Schemes and Authorised Schemes which invest substantially in underlying UCITS III Schemes

The prospectus of a recognised UCITS III scheme or an authorised scheme which invests substantially (i.e. 30% or more of the asset value of the scheme) in an underlying UCITS III scheme(s) shall disclose the following:

- (a) appropriate risk disclosures relating to the investment policies and portfolio management techniques of the recognised UCITS III scheme or each underlying UCITS III scheme;
- (b) where the recognised UCITS III scheme or underlying UCITS III scheme intends to use or invest in financial derivative instruments (hereinafter referred to as FDIs) —
 - (i) the types of FDIs that will be used and whether they are used for hedging, efficient portfolio management or investment purposes;
 - (ii) details of the risks associated with the use of FDIs;

THIRD SCHEDULE — *continued*

- (iii) the extent to which the recognised UCITS III scheme or each underlying UCITS III scheme may be leveraged through the use of FDIs;
 - (iv) any relevant quantitative limits on the use of FDIs; and
 - (v) the possible outcome of the use of FDIs on the risk profile of the recognised UCITS III scheme or each underlying UCITS III scheme;
- (c) where the recognised UCITS III scheme or underlying UCITS III scheme intends to use or invest in FDIs other than for the purposes of hedging and/or efficient portfolio management, a prominent statement drawing attention to this intention at the beginning of the prospectus;
- (d) where the net asset value of the recognised UCITS III scheme or underlying UCITS III scheme is likely to have a high volatility due to its investment policies or portfolio management techniques, a prominent statement drawing attention to this possibility; and
- (e) how investors may obtain supplementary information relating to the risk management methods employed by the recognised UCITS III scheme or underlying UCITS III scheme, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

FOURTH SCHEDULE

Regulation 12

INFORMATION THAT MAY BE OMITTED FROM A PRELIMINARY DOCUMENT

1. The date of registration of the prospectus, if and only if the front cover of the preliminary document includes the date of lodgment of the preliminary document.
2. The disclaimer required under paragraph 6 of Section I of the Third Schedule to these Regulations, if and only if the front cover of the preliminary document includes the following disclaimer:

“The collective investment scheme offered in this prospectus is {an authorised scheme/a recognised scheme/a scheme pending authorisation/a scheme pending recognition⁸} under the Securities and Futures Act. A copy of this preliminary document has been lodged with the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the preliminary document. Lodgment of the preliminary document

⁸to state accordingly

FOURTH SCHEDULE — *continued*

with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements have been complied with.”.

3. The initial purchase price of units in the collective investment scheme.
4. The initial offer period.
5. In the case of a listed property fund —
 - (a) the total number of units to be issued during the initial offer period.
 - (b) the dates on which units in the property fund will be listed for quotation or quoted on a securities exchange or overseas securities exchange and on which trading will commence.
6. Any information which is dependent on the final determination of item 1, 3, 4 or 5.
7. Any other information as may be approved by the Authority in any particular case.

FIFTH SCHEDULE

Regulation 25(1)(b) and (e)

ILLUSTRATION

Assume the following prices for a unit in a scheme with —

- (a) a subscription fee of 2%; and
- (b) a realisation fee which starts at 3% in the first year and decreases by 1% every year that an investor holds his units:

		<i>Bid</i>	<i>Offer</i>
T	(date of advertisement)	\$1.50	\$1.53
T ₀	(a date no more than 3 months prior to T)	\$1.52	\$1.55
T ₃	(3 years prior to T ₀)	\$1.18	\$1.20
T ₅	(5 years prior to T ₀)	\$0.98	\$1.00

An advertisement of the scheme published on T could show one of the following:

- (1) **TOTAL RETURN** over the period from T₃ to T₀

FIFTH SCHEDULE — *continued*

$$= \left(\begin{array}{l} \text{Bid price at } T_0, \text{ adjusted} \\ \text{for realisation fee of 1\%} \\ \text{in the 3rd year (BP}_1\text{)} \end{array} - \text{Offer price at } T_3 \text{ (OP}_1\text{)} \right) \div \text{OP}_1$$

$$= [\$1.50 - \$1.20] \div \$1.20$$

$$= 25\%$$

AVERAGE ANNUAL COMPOUNDED RETURNover the period from T_3 to T_0

$$= (\text{BP}_1 \div \text{OP}_1)^{1/3} - 1$$

$$= (\$1.50 \div \$1.20)^{1/3} - 1$$

$$= 7.7\%$$

OR

(2) **TOTAL RETURN** over the period from T_5 to T_0

$$= \left(\begin{array}{l} \text{Bid price at } T_0, \text{ with no adjustment} \\ \text{needed for realisation fee since it} \\ \text{would be 0\% in the 5th year (BP}_2\text{)} \end{array} - \begin{array}{l} \text{Offer price at} \\ T_5 \text{ (OP}_2\text{)} \end{array} \right) \div \text{OP}_2$$

$$= [\$1.52 - \$1.00] \div \$1.00$$

$$= 52\%$$

AVERAGE ANNUAL COMPOUNDED RETURNover the period from T_5 to T_0

$$= (\text{BP}_2 \div \text{OP}_2)^{1/5} - 1$$

$$= (\$1.52 \div \$1.00)^{1/5} - 1$$

$$= 8.7\%$$

SIXTH SCHEDULE

Regulations 2(1) and 32

MODIFIED PROVISIONS FOR RESTRICTED SCHEMES

Offers of units in restricted schemes

1.—(1) No person shall make an offer of units in a restricted scheme unless it is a restricted Singapore scheme or a restricted foreign scheme.

(1) No person shall make an offer of units in a restricted scheme unless —

- (a) it is a restricted Singapore scheme or a restricted foreign scheme; and
- (b) the offer is made in or accompanied by an information memorandum —
 - (i) that complies with sub-paragraph (2); and
 - (ii) a copy of which is submitted to the Authority for record purposes.

[S 191/2013 wef 01/07/2013]

(2) An information memorandum issued in connection with an offer of units in a restricted scheme shall —

- (a) except where the scheme is also authorised or recognised by the Authority under section 286 or 287 of the Act, as the case may be, contain the statement “the scheme is not authorised or recognised by the Authority and units in the scheme are not allowed to be offered to the retail public”;
- (b) contain the statement “the information memorandum is not a prospectus as defined in the Act and, accordingly, statutory liability under the Act in relation to the content of prospectuses does not apply, and the offeree should consider carefully whether the investment is suitable for him”; and
- (c) state —
 - (i) the investment objectives and focus of the restricted scheme, and the investment approach of the manager for the scheme;
 - (ii) the risks of subscribing for or purchasing units in the restricted scheme;
 - (iii) whether the offer of units in the restricted scheme is regulated by any financial supervisory authority and, if so, the title and jurisdiction of the legislation under which the restricted scheme is regulated and the name and contact details of the authority;

SIXTH SCHEDULE — *continued*

- (iv) in the case of a restricted Singapore scheme, the name and place of incorporation of the manager for the scheme and, where applicable, the trustee or custodian for the scheme;
- (v) in the case of a restricted foreign scheme —
 - (A) where the scheme is a corporation —
 - (AA) its place of incorporation and business address; and
 - (AB) the name and place of incorporation or registration of the manager for the restricted foreign scheme and, where applicable, the trustee or custodian for the restricted foreign scheme; or
 - (B) where the scheme is not a corporation, the name and place of incorporation or registration of the manager for the restricted foreign scheme and, where applicable, the trustee or custodian for the restricted foreign scheme;
- (vi) whether the manager for the restricted scheme and, where applicable, the trustee or custodian for the restricted scheme, are regulated by any financial supervisory authority and, if so, the name and contact details of the authority;
- (vii) where applicable, the conditions, limits and gating structures for redemption of the units;
- (viii) where applicable, the policy of the restricted scheme regarding side letters that may further qualify the relationship between the restricted scheme and selected investors, and the nature and scope of such side letters;
- (ix) where applicable, the past performance of the restricted scheme, or where information on the past performance of the scheme may be obtained;
- (x) the details on where the accounts of the restricted scheme may be obtained; and
- (xi) the fees and charges payable by the investors and by the restricted scheme.

[S 191/2013 wef 01/07/2013]

(2A) Where a person makes an offer of units in a restricted Singapore scheme or restricted foreign scheme that has been entered, before 1st July 2013, into the list of restricted schemes maintained by the Authority —

SIXTH SCHEDULE — *continued*

- (a) sub-paragraphs (1) and (2) shall only apply to the person from (and including) the due date of the next annual declaration in respect of the scheme (being a date that is on or after 1st July 2013) in relation to any offer made on or after that due date; and
- (b) sub-paragraphs (1) and (2) as in force immediately before 1st July 2013 shall continue to apply to the person prior to that due date in relation to any offer made before that due date.

[S 191/2013 wef 01/07/2013]

(3) Any person who contravenes sub-paragraph (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

List of restricted schemes

2.—(1) A person who wishes to make an offer of units in a restricted scheme that has not been entered into the list of restricted schemes maintained by the Authority shall submit a notification of the offer to the Authority in such form and manner as may be specified in the Authority's Internet website at <http://www.mas.gov.sg> or as the Authority may, by notice in writing, specify.

(2) Every notification referred to in sub-paragraph (1) shall be accompanied by such information or record as the Authority may require.

(3) The Authority may, upon receipt of the notification referred to in sub-paragraph (1) and in accordance with paragraph 3 or 4 (as the case may be), enter the restricted scheme into the list of restricted schemes maintained by the Authority.

(4) The Authority may publish for public information, in such manner as it considers appropriate —

- (a) the list of restricted schemes maintained by the Authority; and
- (b) the particulars of any restricted scheme that has been entered in the list of restricted schemes.

Restricted Singapore schemes

3.—(1) The Authority shall not enter a restricted scheme which is constituted in Singapore into the list of restricted schemes maintained by the Authority unless the Authority is of the opinion that the following requirements are satisfied:

- (a) there is a manager for the scheme which is —
 - (i) licensed or regulated to carry out fund management activities in the jurisdiction of its principal place of business; or

SIXTH SCHEDULE — *continued*

- (ii) a public company that is exempted from the requirement to hold a capital markets services licence to carry on business in fund management under regulation 5(1)(d) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10);
 - (b) the manager for the scheme is a fit and proper person, and in considering if a person satisfies this requirement, the Authority may take into account any matter relating to —
 - (i) any person who is or will be employed by or associated with the manager;
 - (ii) any person exercising influence over the manager; or
 - (iii) any person exercising influence over a related corporation of the manager; and
 - (c) in the case of a scheme constituted as a unit trust, there is a trustee for the scheme approved under section 289 of the Act.
- (2) The Authority may enter a restricted scheme which is constituted in Singapore, and which is not constituted as a unit trust, into the list of restricted schemes subject to such conditions or restrictions as it thinks fit.
- (3) The Authority may, at any time, by notice in writing to the responsible person for a restricted Singapore scheme which is not constituted as a unit trust —
- (a) vary any condition or restriction imposed under sub-paragraph (2); or
 - (b) impose such further condition or restriction as it may think fit.
- (4) The Authority may refuse to enter a restricted scheme which is constituted in Singapore into the list of restricted schemes where it appears to the Authority that it is not in the public interest to do so.
- (5) The Authority shall not refuse to enter a restricted scheme which is constituted in Singapore into the list of restricted schemes without giving the person who submitted the notification of the offer of units in the scheme an opportunity to be heard, except that an opportunity to be heard need not be given if the refusal is on the ground that it is not in the public interest to enter the scheme into the list of restricted schemes on the basis of any of the following circumstances:
- (a) any person who wishes to make the offer (being an entity), the responsible person or the scheme itself is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

SIXTH SCHEDULE — *continued*

- (b) any person who wishes to make the offer (being an individual) is an undischarged bankrupt, whether in Singapore or elsewhere;
- (c) a receiver, a receiver and manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of any property of any person who wishes to make the offer (being an entity), the responsible person or the scheme.

(6) The responsible person for a restricted scheme which is constituted in Singapore may, within 30 days after he is notified by the Authority that the Authority has refused to enter the scheme into the list of restricted schemes, appeal to the Minister whose decision shall be final.

(7) The responsible person for a restricted Singapore scheme and the trustee for the scheme, to the extent applicable, shall ensure that the requirements set out in sub-paragraph (1) as applicable to that scheme shall continue to be satisfied.

(8) The responsible person for a restricted Singapore scheme shall furnish such information or record regarding the scheme as the Authority may, at any time, require for the proper administration of the Act.

(9) Where the manager for a restricted Singapore scheme which is constituted as a unit trust fails to comply with the Act, the Authority may direct the trustee for the scheme to remove that person and appoint a new manager for the scheme.

(10) Any person who contravenes —

- (a) any condition or restriction imposed under sub-paragraph (2) or (3);
- (b) sub-paragraph (7) or (8); or
- (c) any direction of the Authority given under sub-paragraph (9),

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

Restricted foreign schemes

4.—(1) The Authority shall not enter a restricted scheme which is constituted outside Singapore into the list of restricted schemes maintained by the Authority unless the Authority is of the opinion that there is a manager for the scheme which satisfies the following requirements:

- (a) the manager is licensed or regulated to carry out fund management activities in the jurisdiction of its principal place of business; and

SIXTH SCHEDULE — *continued*

- (b) the manager is a fit and proper person, and in considering if a person satisfies this requirement, the Authority may take into account any matter relating to —
- (i) any person who is or will be employed by or associated with the manager;
 - (ii) any person exercising influence over the manager; or
 - (iii) any person exercising influence over a related corporation of the manager.
- (2) The Authority may refuse to enter a restricted scheme which is constituted outside Singapore into the list of restricted schemes where it appears to the Authority that it is not in the public interest to do so.
- (3) The Authority shall not refuse to enter a restricted scheme which is constituted outside Singapore into the list of restricted schemes without giving the person who submitted the notification of the offer of units in the scheme an opportunity to be heard, except that an opportunity to be heard need not be given if the refusal is on the ground that it is not in the public interest to enter the scheme into the list of restricted schemes on the basis of any of the following circumstances:
- (a) any person who wishes to make the offer (being an entity), the responsible person or the scheme itself is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;
 - (b) any person who wishes to make the offer (being an individual) is an undischarged bankrupt, whether in Singapore or elsewhere;
 - (c) a receiver, a receiver and manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of any property of any person who wishes to make the offer (being an entity), the responsible person or the scheme.
- (4) The responsible person for a restricted scheme which is constituted outside Singapore may, within 30 days after he is notified by the Authority that the Authority has refused to enter the scheme into the list of restricted scheme, appeal to the Minister whose decision shall be final.
- (5) The responsible person for a restricted foreign scheme shall ensure that the requirements set out in sub-paragraph (1) as applicable to that scheme shall continue to be satisfied.
- (6) The responsible person for a restricted foreign scheme shall furnish such information or record regarding the scheme as the Authority may, at any time, require for the proper administration of the Act.

SIXTH SCHEDULE — *continued*

(7) Any person who contravenes sub-paragraph (5) or (6) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

Withdrawal or suspension

5.—(1) The Authority may withdraw a restricted Singapore scheme or a restricted foreign scheme from the list of restricted schemes maintained by the Authority if —

- (a) any information or record submitted to the Authority, whether at the same time as or subsequent to the submission of the notification of the offer of units in the scheme, was false or misleading in a material particular or omitted a material particular which, had it been known to the Authority at the time of submission of the notification, would have resulted in the Authority not entering the scheme into the list of restricted schemes;
- (b) the Authority is of the opinion that the continued offer of units in the scheme is or will be against the public interest;
- (c) the Authority is of the opinion that the continued offer of units in the scheme is or will be prejudicial to its participants or potential participants;
- (d) in the case of —
 - (i) a restricted Singapore scheme, the responsible person for the scheme or the trustee for the scheme, where applicable, contravenes —
 - (A) any condition or restriction imposed under regulation 3(2) or (3);
 - (B) regulation 3(7) or (8); or
 - (C) any direction of the Authority given under regulation 3(9); or
 - (ii) a restricted foreign scheme, the responsible person for the scheme contravenes regulation 4(5) or (6); or
- (e) the responsible person for a restricted Singapore scheme or a restricted foreign scheme fails to submit an annual declaration in respect of the scheme in accordance with paragraph 6.

(2) Notwithstanding sub-paragraph (1), the Authority may, if it considers it desirable to do so —

SIXTH SCHEDULE — *continued*

- (a) instead of withdrawing a restricted Singapore scheme or a restricted foreign scheme from the list of restricted schemes, suspend the status of the scheme as a restricted Singapore scheme or a restricted foreign scheme (as the case may be) for such period as the Authority may determine; and
- (b) at any time —
 - (i) extend the period of suspension; or
 - (ii) revoke the suspension.

(3) Where the Authority decides to withdraw a restricted Singapore scheme or a restricted foreign scheme from the list of restricted schemes under sub-paragraph (1) or to suspend the status of a restricted scheme as a restricted Singapore scheme or a restricted foreign scheme under sub-paragraph (2), it shall notify the responsible person for the scheme.

(4) Subject to sub-paragraph (5), the Authority shall not —

- (a) withdraw a restricted Singapore scheme or a restricted foreign scheme from the list of restricted schemes under sub-paragraph (1); or
- (b) suspend the status of a restricted scheme as a restricted Singapore scheme or a restricted foreign scheme under sub-paragraph (2),

without giving the responsible person for the scheme an opportunity to be heard.

(5) An opportunity to be heard need not be given to the responsible person for a restricted scheme if the withdrawal or suspension of the scheme is on the ground that —

- (a) permitting the restricted scheme to remain as a restricted Singapore scheme or a restricted foreign scheme is against the public interest on the basis of any of the following circumstances:
 - (i) any person making an offer of units in the scheme (being an entity), the responsible person or the scheme itself is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;
 - (ii) any person making an offer of units in the scheme (being an individual) is an undischarged bankrupt, whether in Singapore or elsewhere;
 - (iii) a receiver, a receiver and manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of any property of any person making an offer

SIXTH SCHEDULE — *continued*

of units in the scheme (being an entity), the responsible person or the scheme; or

(b) the responsible person for the restricted scheme has failed to submit an annual declaration in respect of the scheme in accordance with paragraph 6.

(6) The responsible person for a restricted scheme may, within 30 days after he is notified that the Authority —

(a) has withdrawn a restricted Singapore scheme or a restricted foreign scheme from the list of restricted schemes under sub-paragraph (1); or

(b) has suspended the status of a restricted scheme as a restricted Singapore scheme or a restricted foreign scheme under sub-paragraph (2),

appeal to the Minister whose decision shall be final.

(7) Where the Authority withdraws a restricted Singapore scheme or a restricted foreign scheme from the list of restricted schemes under sub-paragraph (1) or suspends the status of a restricted scheme as a restricted Singapore scheme or a restricted foreign scheme under sub-paragraph (2), the Authority may —

(a) within a period of 28 days of the withdrawal or suspension, give directions to the responsible person of the scheme, as it deems appropriate, to protect investors; and

(b) publish a notice of the withdrawal or suspension, any direction given under sub-paragraph (a), and the reason therefor, in such manner as it considers appropriate.

(8) Any responsible person who contravenes any direction of the Authority given under sub-paragraph (7)(a) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

Annual declaration by responsible person

6. The responsible person for a restricted Singapore scheme or a restricted foreign scheme shall lodge with the Authority an annual declaration in respect of the scheme in accordance with such requirements and in such manner as may be notified in writing by the Authority.

Winding up and termination

7.—(1) Where a restricted Singapore scheme or a restricted foreign scheme, or a restricted scheme with terminated Singapore offers, is wound up or otherwise dissolved, the responsible person for the scheme shall notify the Authority of this no later than 14 days after the winding up or dissolution.

SIXTH SCHEDULE — *continued*

(2) Where an offer of units in a restricted Singapore scheme or a restricted foreign scheme is terminated, the responsible person for the scheme shall notify the Authority of this no later than 14 days after the termination.

(3) The Authority may, upon being notified under sub-paragraph (1) or (2), remove the scheme from the list of restricted schemes maintained by the Authority.

(4) The Authority may, within a period of 28 days after being notified under sub-paragraph (1) or (2), give directions to the responsible person of the scheme, as it deems appropriate, to protect investors.

(5) The Authority may publish a notice of any direction given under sub-paragraph (4), and the reason therefor, in such manner as it considers appropriate.

(6) Any responsible person who contravenes —

(a) sub-paragraph (1) or (2); or

(b) any direction of the Authority given under sub-paragraph (4),

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

(7) In this paragraph, “restricted scheme with terminated Singapore offers”, means a restricted scheme —

(a) which is or was a restricted Singapore scheme or a restricted foreign scheme;

(b) where units acquired at the time it is or was such a scheme —

(i) were acquired by a relevant person or by a person in accordance with section 305(2) and (3) of the Act; and

(ii) continues to be held by such a person; and

(c) in respect of which all offers of units have been terminated.

Service

8.—(1) Unless otherwise provided in this Schedule, any document relating to a restricted scheme required or authorised to be served shall be sufficiently served if served on the responsible person for the scheme at his last known address.

(2) Any notice or direction to be given or served by the Authority on a restricted scheme constituted as a corporation, or the manager or the trustee for a restricted scheme, shall for all purposes be regarded as duly given or served if it has been delivered or sent by post or facsimile transmission to such person at his last known address.

SIXTH SCHEDULE — *continued*

(3) In the case of a corporation, the last known address referred to in sub-paragraphs (1) and (2) shall be —

- (a) if it is a company incorporated in Singapore, the address of its registered office in Singapore; or
- (b) if it is a foreign company, the address of its registered office in Singapore or the registered address of its agent or, if it does not maintain a place of business in Singapore, its registered office in the place of its incorporation.

(4) The Authority may serve any notice of its decision in respect of the entry of a restricted scheme into the list of restricted schemes maintained by the Authority on a person by electronic communication if the person consents to being served in such manner and gives, as part of his or its address for service, an email address.

[S 420/2009 wef 01/10/2009]

SEVENTH SCHEDULE

Regulation 34(1)

PARTICULARS TO BE INCLUDED IN AN OFFER INFORMATION STATEMENT UNDER SECTION 305B OF THE ACT IN RESPECT OF A COLLECTIVE INVESTMENT SCHEME THAT IS A TRUST AND THAT INVESTS PRIMARILY IN REAL ESTATE AND REAL ESTATE-RELATED ASSETS SPECIFIED BY THE AUTHORITY IN THE CODE ON COLLECTIVE INVESTMENT SCHEMES

[S 469/2012 wef 01/10/2012]

PART I

FRONT COVER

1. On the front cover of the offer information statement, provide —

- (a) the date of lodgment of the offer information statement;
- (b) the following statements:
 - (i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.”; and
 - (ii) “The collective investment scheme offered in this document is {an authorised/a recognised⁹} scheme under the Securities and Futures Act. A copy of this offer information statement has

⁹to state accordingly

SEVENTH SCHEDULE — *continued*

been lodged with the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the offer information statement. Lodgment of the offer information statement with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the units being offered for investment.”;

- (c) the name of the collective investment scheme (referred to in this Schedule as the Scheme) in which units are being offered, and its place and date of constitution;
- (d) a statement to the effect that an application has been or will be made to a securities exchange to list for quotation or quote the units being offered on that securities exchange, and the name of such securities exchange; and
- (e) a statement that no units shall be allotted or allocated on the basis of the offer information statement later than 6 months after the date of lodgment of the offer information statement.

PART II

BASIC INFORMATION

- 2. State the names and addresses of —
 - (a) the manager for the Scheme (referred to in this Schedule as the Manager); and
 - (b) each of the directors or equivalent persons of the Manager.
- 3. State the names and addresses of —
 - (a) the issue manager to the offer, if any;
 - (b) the underwriter to the offer, if any; and
 - (c) the legal adviser for or in relation to the offer, if any.

PART III

OFFER STATISTICS AND TIMETABLE

Offer Statistics

- 4. For each method of offer, state the number of units being offered.

SEVENTH SCHEDULE — *continued*

Method and Timetable

5. Provide the information referred to in paragraphs 6 to 10 to the extent applicable to —

- (a) the offer procedure; and
- (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

6. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure shall be made public.

7. State the method and time limit for paying up for the units and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

8. State, where applicable, the methods of and time limits for —

- (a) the delivery of the documents evidencing title to the units being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and
- (b) the book-entry transfers of the units being offered in favour of subscribers or purchasers.

9. In the case of any pre-emptive rights to subscribe for or purchase the units being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

10. Provide a full description of the manner in which results of the allotment or allocation of the units are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

SEVENTH SCHEDULE — *continued*

PART IV

KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

11. In the same section, provide the information set out in paragraphs 12 to 17.
12. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph as the net proceeds). Where only a part of the net proceeds will go into the property of the Scheme, indicate such amount. If none of the proceeds will go into the property of the Scheme, provide a statement of that fact.
13. Disclose how the net proceeds from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the Manager, must be raised by the offer of units.
14. For each dollar of the proceeds from the offer, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.
15. If any of the proceeds from the offer will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from a person specified as an interested party by the Authority in the Code on Collective Investment Schemes, identify the interested party and state how the cost to the Scheme is or will be determined.
16. If any of the proceeds from the offer will be used to finance or refinance the acquisition of a business, briefly describe the business and give information on the status of the acquisition.
17. If any material part of the proceeds from the offer will be used to discharge, reduce or retire the indebtedness of the Scheme, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.
18. In the section containing the information referred to in paragraphs 12 to 17 or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to

SEVENTH SCHEDULE — *continued*

the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.

Information on the Scheme

19. Provide the following information:

- (a) the nature of the operations and principal activities of the Scheme;
- (b) the general development of the Scheme from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the Scheme since —
 - (i) the end of the most recent completed financial year for which financial statements have been published; or
 - (ii) the end of any subsequent interim period if interim financial statements have been published;
- (c) the participants' funds in and borrowings of the Scheme, as at the latest practicable date, showing —
 - (i) in the case of the participants' funds, the number of units issued and the number of units outstanding; or
 - (ii) in the case of borrowings, the total amount of the borrowings outstanding, together with the rate of interest (whether fixed or floating) payable thereon;
- (d) the number of units of the Scheme owned by each substantial participant as at the latest practicable date;
- (e) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the Scheme's financial position or profitability;
- (f) where any units in the Scheme have been issued within the 12 months immediately preceding the latest practicable date —
 - (i) if the units have been issued for cash, state the prices at which the units have been issued and the number of units issued at each price; or
 - (ii) if the units have been issued for services, state the nature and value of the services and give the name and address of the person who received the units; and

SEVENTH SCHEDULE — *continued*

- (g) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the trustee for the Scheme (acting in its capacity as trustee of the Scheme) is a party, for the period of 2 years before the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the Scheme.

PART V

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

20.—(1) Provide selected data from —

- (a) the audited income statement of the Scheme for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the Scheme for any subsequent period for which that statement has been published.

(2) The data referred to in sub-paragraph (1) shall include the line items in the income statement of the Scheme and shall in addition include the following items:

- (a) distribution per unit;
- (b) earnings or loss per unit; and
- (c) earnings or loss per unit after any adjustment to reflect the sale of new units.

21.—(1) In respect of —

- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected income available for distribution to participants after tax, and indicate the extent to which such income was so affected.

(2) Describe any other significant component of revenue or expenditure necessary to understand the income available for distribution to participants after tax for each of the financial periods referred to in sub-paragraph (1).

SEVENTH SCHEDULE — *continued***Financial Position**

22.—(1) Provide selected data from the balance sheet of the Scheme as at the end of —

- (a) the most recent completed financial year for which audited financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period.

(2) The data referred to in sub-paragraph (1) shall include the line items in the audited or interim balance sheet of the Scheme and shall in addition include the following items:

- (a) number of units after any adjustment to reflect the sale of new units;
- (b) net asset value per unit; and
- (c) net asset value per unit after any adjustment to reflect the sale of new units.

Liquidity and Capital Resources

23. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —

- (a) the most recent completed financial year for which financial statements have been published; and
- (b) if interim financial statements have been published for any subsequent period, that period.

24. Provide a statement by the Manager as to whether, in its reasonable opinion, the working capital available to the Scheme as at the date of lodgment of the offer information statement is sufficient for present requirements and, if insufficient, how the additional working capital considered by the Manager to be necessary is proposed to be provided.

25. If the Scheme is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Scheme's financial position and results or business operations, or the investments by participants in the Scheme, provide —

- (a) a statement of that fact;
- (b) details of the credit arrangement or bank loan; and
- (c) any action taken or to be taken by the Manager to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).

SEVENTH SCHEDULE — *continued***Trend Information and Forecast or Projection**

26. Discuss, for at least the current financial year, the business and financial prospects of the Scheme, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on revenue, net property income, profitability, liquidity or capital resources, or that would cause the financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.

27.—(1) Except as provided in sub-paragraphs (2) and (3), the offer information statement shall not —

- (a) include any prediction, projection or forecast as to the future or likely performance of the Scheme; or
- (b) use words such as “targeted” or “expected” or any similar words or description in relation to a rate of return.

(2) The offer information statement may include a prediction, projection or forecast on the economy or the economic trends of the markets which are targeted by the Scheme, but such prediction, projection or forecast shall be accompanied by a prominent statement to the effect that the prediction, projection or forecast is not necessarily indicative of the future or likely performance of the Scheme.

(3) The offer information statement may include a forecast or projection in relation to the Scheme (including, where applicable, any yield to be generated by any new asset or property proposed to be acquired by the Scheme) in the offer information statement, provided that —

- (a) if the forecasted or projected yields of the units in the Scheme are stated in percentage terms —
 - (i) such yields are presented on an annualised basis; and
 - (ii) it is prominently stated in the offer information statement that such forecasted or projected yields are calculated based on a stated reference price or standard reference prices and that such yields will vary accordingly for investors who purchase units in the secondary market at a market price higher or lower than the stated reference price or prices;
- (b) the assumptions underlying such forecast or projection are reasonable, and are stated clearly and explicitly in the offer information statement; and

SEVENTH SCHEDULE — *continued*

- (c) the forecast or projection is accompanied by the items referred to in sub-paragraph (4).
- (4) The items referred to in paragraph (3)(c) are —
- (a) a statement by an auditor of the Scheme as to whether such forecast or projection is —
- (i) properly prepared on the basis of the assumptions;
 - (ii) consistent with accounting policies adopted by the Manager in respect of the Scheme; and
 - (iii) presented in accordance with acceptable accounting standards adopted by the Manager in the preparation of the financial statements of the Scheme;
- (b) where —
- (i) the forecast or projection is in respect of a period ending on a date not later than the end of the current financial year of the Scheme —
 - (A) a statement by the issue manager to the offer or any other person whose profession or reputation gives authority to the statement made by him, that the forecast or projection has been stated by the Manager after due and careful enquiry and consideration; or
 - (B) a statement by an auditor of the Scheme, prepared on the basis of his examination of the evidence supporting the assumptions and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the forecast or projection; or
 - (ii) the forecast or projection is in respect of a period ending on a date after the end of the current financial year of the Scheme —
 - (A) a statement by the issue manager to the offer or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions

SEVENTH SCHEDULE — *continued*

do not provide reasonable grounds for the forecast or projection; or

(B) a statement by an auditor of the Scheme, prepared on the basis of his examination of the evidence supporting the assumptions and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the forecast or projection;

(c) a sensitivity analysis; and

(d) a confirmation from the Manager that the forecast or projection has been properly prepared on the basis of appropriate and reasonable assumptions.

Significant Changes

28. Disclose any event that has occurred from the end of —

(a) the most recent completed financial year for which financial statements have been published; or

(b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the Scheme or, if there is no such event, provide an appropriate negative statement.

Meaning of “published”

29. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.

PART VI

THE OFFER AND LISTING

Offer and Listing Details

30. Indicate the price at which the units are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, the method by which the offer price is to be determined must be explained.

SEVENTH SCHEDULE — *continued*

31. If —

- (a) any of the Scheme's participants have pre-emptive rights to subscribe for or purchase the units being offered; and
- (b) the exercise of the rights by the participant is restricted, withdrawn or waived,

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

32. If units in the Scheme and of the same class as those being offered are listed for quotation on any securities exchange —

- (a) in a case where the first-mentioned units have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned units —
 - (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month which the latest practicable date falls to the latest practicable date;
- (b) in a case where the first-mentioned units have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned units —
 - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
- (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the units have been listed for quotation for less than 3 years, during the period from the date on which the units were first listed on the securities exchange, to the latest practicable date; and
- (d) disclose information on any lack of liquidity, if the units are not regularly traded on the securities exchange.

33. Where the units being offered are not identical to the units already issued in the same collective investment scheme, provide —

SEVENTH SCHEDULE — *continued*

- (a) a statement of the rights, preferences and restrictions attached to the units being offered; and
- (b) an indication of the resolutions, authorisations and approvals by virtue of which the Manager may create or issue further units to rank in priority to or *pari passu* with the units being offered.

Plan of Distribution

34. Indicate the amount, and outline briefly the plan of distribution, of the units that are to be offered otherwise than through underwriters. If the units are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

35. Provide a summary of the features of the underwriting relationship together with the amount of units being underwritten by each underwriter.

PART VII

ADDITIONAL INFORMATION

Statements by Experts

36. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide the name, address and qualifications of that person.

37. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert —

- (a) state the date on which the statement was made;
- (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and
- (c) include a statement that the expert has given and has not withdrawn his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.

Consents from Issue Managers and Underwriters

38. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to

SEVENTH SCHEDULE — *continued*

being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.

Other matters

39. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly —

- (a) the operations or financial position or results of the Scheme; or
- (b) investments by participants of the Scheme.

PART VIII

ADDITIONAL INFORMATION REQUIRED FOR OFFER OF UNITS BY
WAY OF RIGHTS ISSUE

40. Provide —

- (a) the particulars of the rights issue;
- (b) the last day and time for splitting of the provisional allotment of the units to be issued pursuant to the rights issue;
- (c) the last day and time for acceptance of and payment for the units to be issued pursuant to the rights issue;
- (d) the last day and time for renunciation of and payment by the renounee for the units to be issued pursuant to the rights issue;
- (e) the terms and conditions of the offer of units to be issued pursuant to the rights issue;
- (f) the particulars of any undertaking from the substantial participants of the Scheme to subscribe for their entitlements; and
- (g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.

Made this 19th day of September 2005.

HENG SWEE KEAT
Managing Director,
Monetary Authority of Singapore.

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