



Monetary Authority of Singapore

FINANCIAL ADVISERS ACT (CAP. 110)

**GUIDELINES ON PROCEDURES AND PAYMENT OF
FEES FOR APPLICATION FOR CORPORATE AND
REPRESENTATIVE'S LICENCES**

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GUIDELINES ON PROCEDURES AND PAYMENT OF FEES FOR APPLICATION FOR CORPORATE AND REPRESENTATIVE'S LICENCES

Purpose of the Guidelines on Procedures and Payment of Fees for Application for Corporate and Representative's Licences ["these Guidelines"]

1 These Guidelines are issued pursuant to section 64 of the Financial Advisers Act (Cap. 110) ["the Act"].

2 These Guidelines set out the administrative procedures for corporations and individuals who wish to apply for the following under the Act:

- (a) a new financial adviser's licence or representative's licence;
- (b) additional type(s) of financial advisory service under their existing licences;
- (c) additional type(s) of investment products in respect of which they are authorised to provide any financial advisory service; or
- (d) renewal of their licences.

They also provide detailed explanations on the computation of annual licence fees payable and the procedures for the payment of application and licence fees by applicants and licensees.

3 The Monetary Authority of Singapore ["the Authority"] expects applicants to adhere to the Guidelines to ensure consistency and efficiency in the processing of licence applications. Incomplete applications and those that do not adhere to these Guidelines may not be considered.

4 These Guidelines should be read in conjunction with the provisions of the Act, subsidiary legislation made under the Act, as well as written directions, notices, codes and other guidelines that the Authority may issue from time to time, in particular, the Guidelines on the Criteria for the Grant of a Financial

Adviser's Licence and a Representative's Licence (Guideline No. FAA-G01) and the Guidelines on Fit and Proper Criteria (Guideline No. FSG-G01).

Definitions

5 For the purposes of these Guidelines:

“financial adviser’s licence” has the same meaning as in section 2(1) of the Act;

“financial advisory service” has the same meaning as in section 2(1) of the Act;

“representative” has the same meaning as in section 2(1) of the Act; and

“representative’s licence” has the same meaning as in section 2(1) of the Act.

Procedures for application for a new licence

6 Section 6 of the Act requires a person who acts as a financial adviser in Singapore in respect of any financial advisory service to hold a financial adviser’s licence unless he is exempt under section 23 of the Act. With respect to the representatives of a licensed financial adviser, section 7 of the Act requires a person who acts as or holds himself out to be a representative of a licensed financial adviser to hold a representative’s licence that is related to that financial adviser. The types of financial advisory service regulated under the Act are as follows:

- (a) advising others, either directly or through publications or writings, and whether in electronic, print or other form, concerning the following investment products:
 - (i) securities (other than collective investment schemes);
 - (ii) collective investment schemes;
 - (iii) futures contracts;
 - (iv) contracts or arrangements for the purposes of foreign exchange trading;

- (v) contracts or arrangements for the purposes of leveraged foreign exchange trading;
 - (vi) life policies (other than a contract of reinsurance);
 - (vii) structured deposits as defined in the Financial Advisers (Structured Deposits – Prescribed Investment Product and Exemption) Regulations 2004; and
 - (viii) other investment products as may be prescribed by the Authority,
- other than –
- (A) in the manner specified in paragraph 6(b) of these Guidelines; or
 - (B) advising on corporate finance within the meaning of the Securities and Futures Act (Cap. 289);
- (b) advising others by issuing or promulgating research analyses or research reports, whether in electronic, print or other form, concerning the following investment products:
- (i) securities (other than collective investment schemes);
 - (ii) collective investment schemes;
 - (iii) futures contracts;
 - (iv) contracts or arrangements for the purposes of foreign exchange trading;
 - (v) contracts or arrangements for the purposes of leveraged foreign exchange trading;
 - (vi) life policies (other than a contract of reinsurance);
 - (vii) structured deposits as defined in the Financial Advisers (Structured Deposits – Prescribed Investment Product and Exemption) Regulations 2004; and
 - (viii) other investment products as may be prescribed by the Authority;
- (c) marketing of collective investment schemes; and
- (d) arranging of contracts of insurance in respect of life policies, other than a contract of reinsurance.

7 A person who intends to apply for a financial adviser's licence or a representative's licence to provide any of the financial advisory services specified in paragraph 6 should submit the following forms¹:

Application for a financial adviser's licence	Form 1
Application for a representative's licence	Form 6

8 A person who intends to apply for a financial adviser's licence should also submit:

- (a) an application for the proposed appointment of the Chief Executive Officer and directors under section 56 (Form 11); and
- (b) where the proposed financial advisory service is in respect of securities (including collective investment schemes), the notice of place at which register of interests in securities will be kept under section 39(1) (Form 13).

9 An application for a financial adviser's licence and a representative's licence should be accompanied by the prescribed non-refundable application fees in the manner specified in the relevant application form (please refer to the Appendix for the application fees in respect of the various types of licence applications).

10 In the case of an application for a representative's licence, where the financial adviser which has supported the representative's licence application (referred to in these Guidelines as the "principal") has an existing GIRO arrangement with the Authority for the payment of the applicable application fees and licence fees under the Act, the representative's principal will receive a "Fee Advice (New Applications)" 2 weeks prior to the deduction date (please refer to the Appendix for the application fees in respect of the various types of licence applications).

11 The Authority may, in connection with an application, request for more information or documents from the applicant, or request a meeting to seek clarification on the information submitted.

¹ The forms referred to in the Financial Advisers Regulations (Rg 2) ["FAR"] are set out in the Authority's website at <http://www.mas.gov.sg> (under "Regulations and Licensing", "Financial Advisers").

12 An application and document which is not in the English language, and any application not accompanied by the requisite non-refundable application fee, will not be considered.

13 Upon receipt of a complete application, the Authority will send a written acknowledgment to the applicant.

14 Any subsequent amendments to the information submitted in connection with an application must be notified promptly and in writing to the Authority. Where the Authority assesses the amendments to be significant and material, the application may be deemed by the Authority to have been withdrawn and the applicant may be required to submit a fresh application. Non-exhaustive examples of material changes include the following:

- a change in the identity of a controlling shareholder;
- a change in any of the proposed management personnel and any other person whose experience the application is based upon;
- a change in the business model or target clientele; and
- any change that may affect the ability of the applicant, as well as its officers, employees and substantial shareholders, to satisfy the fit and proper criteria set out in the Guidelines on Fit and Proper Criteria issued by the Authority (Guideline No. FSG-G01).

15 The applicant will be notified by the Authority if its application is not successful. The Authority may consider an application as withdrawn if the applicant is unable to furnish information requested by the Authority, as part of its assessment of the application, in a timely manner.

Procedure after a licence application is approved

16 If an application is approved, the applicant will be notified as follows:

- (a) in the case of an application for a financial adviser's licence, the applicant will receive a notification from the Authority on the Authority's decision to grant the licence subject to the satisfaction of certain requirements. The applicant will be given 3 months from the date of the letter to comply with the requirements therein. These requirements would normally include, amongst others, submission of documentary evidence that the applicant meets the

- relevant minimum paid-up capital requirements² and has obtained a professional indemnity insurance policy³. After the applicant has satisfied the Authority that it meets the requirements stated in the letter, the applicant will be granted the financial adviser's licence;
- (b) in the case of an application for a representative's licence, the representative's principal will receive a notification from the Authority on the Authority's decision enclosing the representative's licence.

17 The applicant, or in the case of representative's licence applications, the representative's principal, will receive the following Fee Advice, as the case may be, on the amount of licence fees payable:

- (a) For payment via GIRO – “Fee Advice (New Applications)”, which will be sent to the representative's principal 2 weeks prior to the deduction date;
- (b) For payment via cheque – “Licence Fee Advice (New Applications)”, which will be issued to the licensed financial adviser or the representative's principal, together with the licence issued.

18 The licensed financial adviser is responsible for the payment of licence fees for the financial adviser's licence. In the case of a representative's licence, the licence fees will be collected from the representative's principal, which will pay on behalf of its representatives.

19 Licence fees payable by a licensed financial adviser or the representative's principal are to be paid within 2 weeks from the date of the “Licence Fee Advice (New Applications)”, failing which the Authority may, pursuant to regulation 6(2) of the Financial Advisers Regulations (Rg 2) (“FAR”), impose a late payment fee not exceeding \$100 for every day or part thereof that the payment is late, subject to a maximum of \$3,000.

20 For payment of application fees and licence fees via GIRO, a licensed financial adviser or the representative's principal, as the case may be, should ensure sufficient funds in its bank account for the GIRO deduction on the

² The financial requirements are spelt out in regulation 15 of the Financial Advisers Regulations [“FAR”].

³ The requirements on professional indemnity insurance are stipulated in regulation 17 of the FAR.

deduction date as stated on the "Fee Advice (New Applications)". For payment of licence fees via cheque, the licensed financial adviser or the representative's principal, as the case may be, should pay the licence fees within 2 weeks from the date of the "Licence Fee Advice (New Applications)". Failing which, the Authority may, pursuant to regulation 6(2) of the FAR, impose a late payment fee not exceeding \$100 for every day that the payment is late, subject to a maximum of \$3,000.

21 Please refer to paragraphs 43 and 44 for the computation of the first licence fees to be paid for new licence applications and subsequent payment of annual licence fees at succeeding anniversary dates.

Procedures for renewal of licences

22 The financial adviser's licence and representative's licence are valid for a period of up to 3 years unless otherwise specified. Licensees should renew their licences at the end of the 3 years if they intend to continue providing financial advisory services authorised to be provided by their licences.

23 Under section 8 of the Act, an application for the renewal of a licence shall be made not later than one month before the expiry of the licence. Where an application for the renewal of a licence is made less than one month before the expiry of the licence, the Authority may pursuant to regulation 6(2) of the FAR, impose a late renewal fee not exceeding \$100 for every day or part thereof that the application for renewal is late, subject to a maximum of \$3,000.

24 All licence renewal applications should be made using the following forms:

Application for renewal of a financial adviser's licence	Form 3
Application for renewal of a representative's licence	Form 8

25 The licensed financial adviser and, in the case of representative's licence, the representative's principal should have an existing GIRO arrangement with the Authority for the payment of renewal application fees and licence fees under the Act. The non-refundable application fees will be deducted via GIRO from the bank account of the licensed financial adviser or the representative's principal, as the case may be, 2 weeks after the issuance of a "Fee Advice (New

Applications)". (Please refer to the Appendix for the application fees in respect of the various types of licence applications).

26 Upon approval of the licence renewal applications, the Authority will issue a new financial adviser's licence to the licensed financial adviser or a new representative's licence to the representative. The new financial adviser's licence or representative's licence issued will be sent to the licensed financial adviser or the representative's principal respectively.

27 The licensed financial adviser or the representative's principal will receive a "Licence Fee Advice (Existing Licences)" at least 2 weeks prior to the expiry date of the financial adviser's licence or representative's licence on the amount of licence fees payable.

28 The licensed financial adviser is responsible for payment of licence fees for the financial adviser's licence. In the case of a representative's licence, the licence fees will be collected from the representative's principal, which will pay on behalf of its representatives.

29 The licensed financial adviser and, in the case of representative's licence, the representative's principal should ensure sufficient funds in its bank account for the GIRO deduction on the deduction date as stated on the "Fee Advice (New Applications)". Failing which, the Authority may, pursuant to regulation 6(2) of the FAR, impose a late payment fee not exceeding \$100 for every day that the payment is late, subject to a maximum of \$3,000.

Procedures for applying to provide additional type(s) of financial advisory service or investment product

- 30 Licensees who intend to provide –
- (a) additional type(s) of financial advisory service under their existing licences; or
 - (b) additional type(s) of investment products in respect of which they are authorised to provide financial advisory service, should submit the following forms:

Application for variation of a financial adviser's licence	Form 2
Application for variation of a representative's licence	Form 7

31 An application for variation of a financial adviser's licence should be accompanied by, in the case where the proposed financial advisory service is in respect of securities (including collective investment schemes), the notice of place at which the applicant's register of interests will be kept (Form 13).

32 An application for variation of a financial adviser's licence or variation of a representative's licence should be accompanied by the prescribed non-refundable application fees in the manner specified in the relevant application form (please refer to the Appendix for the application fees in respect of the various types of licence applications).

33 The licensed financial adviser and, in the case of representative's licence, the representative's principal should have an existing GIRO arrangement with the Authority for the payment of application fees under the FAA. The non-refundable application fees will be deducted via GIRO from the bank account of the licensed financial adviser or the representative's principal, as the case may be, 2 weeks after the issuance of a "Fee Advice (New Applications)". The licensed financial adviser and, in the case of representative's licence, the representative's principal should ensure sufficient funds in its bank account for the GIRO deduction on the deduction date as stated on the "Fee Advice (New Applications)". (Please refer to the Appendix for the application fees in respect of the various types of licence applications).

34 Once the Authority has approved an application to provide additional type(s) of financial advisory service or investment product, the Authority will inform the licensee, in writing, of its decision, and the licensee should then immediately return his licence to the Authority. Upon receipt of the licence, the Authority will issue a new licence reflecting the additional type(s) of financial advisory service or investment product approved to be provided under the licence. The new financial adviser's licence and representative's licence issued will be sent to the licensed financial adviser and the representative's principal respectively.

Annual licence fees

35 A financial adviser's licence and a representative's licence are valid for a period of up to 3 years unless otherwise specified. However, licence fees are

paid annually. The annual licence fees payable for a financial adviser's licence and a representative's licence are set out in the Appendix.

36 A holder of a financial adviser's licence and a representative's licence will pay a flat annual licence fee, regardless of the number or type of financial advisory services provided.

Anniversary date for collection of licence fee

37 To streamline the process for the payment of licence fees and the renewal of licences, all new licences issued under the Act will have an expiry date that corresponds to one of the following standard dates (known as anniversary dates):

- 31 March
- 30 June
- 30 September
- 31 December

38 The anniversary date assigned to a licence will be based on the issue date of that licence. This anniversary date will be the last day of the quarter preceding the issue date of the licence.

39 A representative's licence that is issued at the same time as the financial adviser's licence of his principal will have the same anniversary date.

40 Annual licence fees (other than the first licence fees) are paid for a period from the date immediately after the preceding anniversary date to the next anniversary date of the licence.

41 The licensed financial adviser and the representative's principal will receive a "Licence Fee Advice (Existing Licences)" 2 weeks prior to the anniversary date of the financial adviser's licence and the representative's licence on the amount of annual licence fees payable.

42 The table below shows 2 different scenarios of a licence issued on 8 December 2002 and 2 January 2003 and their respective assigned anniversary dates and licence expiry dates.

Assignment of anniversary dates and licence expiry dates

	<i>Scenario 1</i>	<i>Scenario 2</i>
First Issue Date	8 December 2002	2 January 2003
First Anniversary Date	30 September 2003	31 December 2003
Second Anniversary Date	30 September 2004	31 December 2004
Expiry Date	30 September 2005	31 December 2005
Annual Licence Fees are Payable for the Periods	8 Dec 2002 to 30 Sep 2003 1 Oct 2003 to 30 Sep 2004 1 Oct 2004 to 30 Sep 2005	2 Jan 2003 to 31 Dec 2003 1 Jan 2004 to 31 Dec 2004 1 Jan 2005 to 31 Dec 2005

Pro-rated licence fee computation for new licences

43 For new licences issued, the first licence fee payable is computed based on the pro-rated amount of the annual licence fees for the period from the first issue date to the first anniversary date. Examples 1 and 2 below show the computation of the first licence fees payable for a financial adviser's licence and a representative's licence respectively.

Example 1 – Computation of the first licence fee payable for a financial adviser's licence

Licence fee details – Financial adviser's licence	
First Issue Date	8 December 2002
First Anniversary Date	30 September 2003
Second Anniversary Date	30 September 2004
Expiry Date	30 September 2005
Annual Licence Fee Payable	\$2,000
Pro-rated Fee – First Licence Fee Payment (8 December 2002 - 30 September 2003) = 297 days	\$1,627 (adjusted downwards to the nearest dollar)

Example 2 – Computation of the first licence fee payable for a representative's licence

Licence fee details – Representative's licence	
First Issue Date	<i>2 January 2003</i>
First Anniversary Date	31 December 2003
Second Anniversary Date	31 December 2004
Expiry Date	31 December 2005
Annual Licence Fee Payable	\$200
Pro-rated Fee – First Licence Fee Payment (2 January 2003 - 31 December 2003) = 364 days	\$199 (adjusted downwards to the nearest dollar)

44 For subsequent payment of annual licence fees at succeeding anniversary dates (including at the time of renewal), the full amount of annual licence fees (\$2,000 in the case of a financial adviser's licence and \$200 in the case of a representative's licence) will be collected.

Appendix

Application Fees

Form No.	Type of Application	Amount (\$)
1	For every application for the grant of a financial adviser's licence	500
2	For every application to add to the type(s) of financial advisory service or investment product authorised under a financial adviser's licence	250
3	For every application for the renewal of a financial adviser's licence	250
6	For every application for the grant of a representative's licence	100
7	For every application to add to the type(s) of financial advisory service or investment product authorised under a representative's licence	50
8	For every application for the renewal of a representative's licence	50

Annual Licence Fees

Form No.	Type of Licence	Amount (\$)
1	Annual licence fee for a financial adviser's licence	2,000
6	Annual licence fee for a representative's licence	200