

FINANCIAL ADVISERS ACT

(CHAPTER 110, SECTION 100 (1))

FINANCIAL ADVISERS (EXEMPTION FROM SECTIONS 25 TO 29 AND 36) REGULATIONS

[7th October 2004]

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Citation

1. These Regulations may be cited as the Financial Advisers (Exemption from Sections 25 to 29 and 36) Regulations.

Definitions

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

"bank in Singapore" has the same meaning as in section 2 (1) of the Banking Act (Cap. 19);

"deposit" has the same meaning as in section 4B of the Banking Act;

"existing product" means any investment product offered before 7th October 2004, that has been classified by any bank as a deposit, but which does not fall within the definition of "deposit" in section 4B of the Banking Act;

"liabilities base" , in relation to a bank in Singapore, means the liabilities against which minimum liquid assets and minimum cash balances are required to be maintained as reserves under sections 38 and 39 of the Banking Act;

"merchant bank" means any merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186);

"new product" means any investment product offered on or after 7th October 2004, that was classified, or intended to be offered, by any bank as a deposit before that day, but which does not fall within the definition of "deposit" in section 4B of the Banking Act (Cap. 19).

Exemption

3.—(1) Subject to paragraphs (2) and (3), the Authority hereby exempts any bank in Singapore or any merchant bank, which has notified the Authority under regulation 37 of the Financial Advisers Regulations (Rg 2) of the commencement of its business as a financial adviser, from sections 25 to 29 and 36 of the Act in respect of the provision of any financial advisory service relating to —

- (a) an existing product; or
- (b) a new product.

(2) In the case of a bank in Singapore —

(a) where the financial advisory service relates to an existing product, the exemption under paragraph (1) is subject to the condition that the bank shall continue to include the existing product in the computation of its liabilities base until the date of maturity of that product; and

(b) where the financial advisory service relates to a new product, the exemption under paragraph (1) is subject to the following conditions:

(i) the bank shall include the new product in the computation of its liabilities base until the date of maturity of that product; and

(ii) the bank shall not represent or refer to the new product as a deposit in any offer, invitation or advertisement issued in relation to that product.

(3) In the case of a merchant bank, where the financial advisory service relates to a new product, the exemption under paragraph (1) is subject to the condition that the bank shall not represent or refer to the new product as a deposit in any offer, invitation or advertisement issued in relation to that product.

(4) The exemption under paragraph (1) shall have effect —

(a) from the date of offer until the date of maturity of the product, in the case where the financial advisory service relates to an existing product; and

(b) from 7th October 2004 until 1st June 2005, in the case where the financial advisory service relates to a new product.

[G.N. No. S 616/2004]