

# FINANCIAL ADVISERS ACT

## (CHAPTER 110, SECTIONS 2 (1) DEFINITION OF "INVESTMENT PRODUCT", 100 (1) AND 104)

### FINANCIAL ADVISERS (STRUCTURED DEPOSITS — PRESCRIBED INVESTMENT PRODUCT AND EXEMPTION) REGULATIONS

[2nd December 2005]

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#### **Citation**

1. These Regulations may be cited as the Financial Advisers (Structured Deposits — Prescribed Investment Product and Exemption) Regulations.

#### **Definitions**

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

"bank" means a bank in Singapore or a merchant bank;

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

"credit derivative" means a financial contract which is designed to transfer credit risk on loans or other assets between 2 parties;

"credit event" , in relation to a credit derivative, means any event agreed upon between the contracting parties to the credit derivative which triggers a payout or delivery of assets under the credit derivative;

"deposit" means —

(a) a deposit as defined in section 4B of the Banking Act (Cap. 19), in a case where the deposit is accepted by a bank; or

(b) a deposit as defined in section 2 of the Finance Companies Act (Cap. 108), in a case where the deposit is accepted by a finance company as defined in that section of that Act;

"dual currency investment" means a deposit which is accepted in one currency and which may be repayable in another currency;

"merchant bank" means a merchant bank approved under section 28 of the Monetary Authority of Singapore Act (Cap. 186);

"structured deposit" means —

(a) a deposit under which any interest or premium is payable, or is at risk, in accordance with a formula which is based on —

(i) the performance of any financial instrument or securities as defined in section 2 (1) of the Securities and Futures Act (Cap. 289); or

(ii) the occurrence of any credit event in respect of a credit derivative —

(A) to which the bank or the finance company, as the case may be, is a contracting party; or

(B) from which the bank or the finance company, as the case may be, would enjoy a benefit or incur a loss; or

(b) a dual currency investment.

**Prescribed investment product**

**3.**For the purposes of the definition of "investment product" in section 2 (1) of the Act, the Authority hereby prescribes every structured deposit as an investment product.

**Exemption**

**4.**Any person who is —

(a) a licensed financial adviser;

[\*S 718/2010, wef 26/11/2010\*](#)

(b) an exempt financial adviser; or

(c) a representative of a licensed financial adviser or of an exempt financial adviser,

[\*S 718/2010, wef 26/11/2010\*](#)

shall be exempted from complying with —

(i) section 25 of the Act, in relation to the provision of any financial advisory service relating to any structured deposit (other than a dual currency investment) which has been prescribed under section 25 (6) (definition of "designated investment product") of the Act as a designated investment product; and

(ii) sections 26 to 29 and 36 of the Act, in relation to the provision of any financial advisory service relating to any structured deposit (other than a dual currency investment).

*[G.N. No. S 775/2005]*