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FINANCIAL ADVISERS ACT
(CHAPTER 110)

FINANCIAL ADVISERS
(STRUCTURED DEPOSITS — PRESCRIBED
INVESTMENT PRODUCT AND EXEMPTION)
REGULATIONS 2004

ARRANGEMENT OF REGULATIONS

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In exercise of the powers conferred by sections 2 (1) (definition of “investment product”) and 100 (1) of the Financial Advisers Act, the Monetary Authority of Singapore hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Financial Advisers (Structured Deposits — Prescribed Investment Product and Exemption) Regulations 2004 and shall come into operation on 1st June 2005.

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;

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

Structured deposit

3.—(1) In these Regulations, “structured 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,

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.

(2) For the purposes of these Regulations, a reference to a deposit in paragraph (1) (a) or (b) shall include a reference to any deposit which is accepted in one currency and may be repayable in a different currency.

Prescribed investment product

4. For the purposes of the definition of “investment product” in section 2 (1) of the Act, the Authority hereby prescribes any structured deposit as an investment product.

Exemption

5. The following persons shall be exempted from complying with sections 25 to 29 and 36 of the Act, in relation to the provision of any financial advisory service relating to any structured deposit:

- (a) any licensee;
- (b) any exempt financial adviser; and
- (c) any representative of an exempt financial adviser.

Made this 7th day of October 2004.

KOH YONG GUAN
Managing Director,
Monetary Authority of Singapore.

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