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SECURITIES AND FUTURES ACT  
(CHAPTER 289)

SECURITIES AND FUTURES  
(EXEMPTION FROM SUBDIVISIONS (2)  
AND (3) OF DIVISION 1 OF PART XIII)  
REGULATIONS 2004

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation and commencement
  2. Definitions
  3. Exemption
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In exercise of the powers conferred by section 337 (1) of the Securities and Futures Act, the Monetary Authority of Singapore hereby makes the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Securities and Futures (Exemption from Subdivisions (2) and (3) of Division 1 of Part XIII) Regulations 2004 and shall come into operation on 7th October 2004.

**Definitions**

2. In these Regulations, unless the context otherwise requires —
- “appointed day” means the date of commencement of these Regulations;
  - “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 financial instrument offered before the appointed day, that has been classified by any

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bank as a deposit, but which does not fall within the definition of “deposit” in section 4B of the Banking Act (Cap. 19);

“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 financial instrument offered on or after the appointed day, 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.

### **Exemption**

**3.**—(1) Subject to paragraphs (2) and (3), the Authority hereby exempts any bank in Singapore or any merchant bank from Subdivisions (2) and (3) of Division 1 of Part XIII of the Act in respect of an offer to the public by the bank of debentures, or units of debentures, for subscription or purchase, or an invitation to the public by the bank to subscribe for or purchase debentures, or units of debentures, where such a debenture is —

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

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

(a) where the debenture is 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 debenture is 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 debenture is 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 debenture is an existing product; and
- (b) from the appointed day until 1st June 2005, in the case where the debenture is a new product.

Made this 7th day of October 2004.

KOH YONG GUAN  
*Managing Director,*  
*Monetary Authority of Singapore.*

[MCD MCP 029/2003; AG/CIV/GS 30/MAS/2000/6 V1]