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SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES
(OFFERS OF INVESTMENTS) (EXEMPTION FROM
REQUIREMENT TO PROVIDE COVENANT TO
REPURCHASE UNITS IN TRUST DEEDS)
REGULATIONS 2005

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation and commencement
 2. Exemption
- The Schedule
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In exercise of the powers conferred by section 306 (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 (Offers of Investments) (Exemption from Requirement to Provide Covenant to Repurchase Units in Trust Deeds) Regulations 2005 and shall come into operation on 28th January 2005.

Exemption

2.—(1) Subject to paragraph (2), the manager and the trustee of a specified scheme shall be exempt, in relation to the trust deed constituting the specified scheme, from the requirement under regulation 8 (1) (a) (iv) of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations (Rg 2) that the trust deed contains a covenant binding the manager to purchase, at the request of a participant of the specified scheme, from the participant units in the specified scheme which the participant has

subscribed for or acquired and at a purchase price determined in accordance with the provisions of the trust deed.

(2) The exemption under paragraph (1) shall be subject to the following conditions:

- (a) the units in the specified scheme are listed for quotation on a securities exchange within 30 days after the prospectus in respect of the offer or invitation of those units is registered by the Authority;
- (b) the advertising and marketing materials (including the prospectus referred to in paragraph (a)) in relation to the specified scheme contain —
 - (i) a statement to the effect that, for so long as the units in the specified scheme are listed for quotation on a securities exchange, the participants in the specified scheme shall have no right to request the manager of the specified scheme to redeem or purchase their units in the specified scheme; and
 - (ii) a warning to prospective investors that the listing for quotation of the units in the specified scheme on a securities exchange does not guarantee a liquid market for those units; and
- (c) the trust deed referred to in paragraph (1) contains a covenant binding the manager of the specified scheme that if at any time the units in the specified scheme —
 - (i) are suspended from trading for 60 days on all securities exchanges on which the units have been listed for quotation; or
 - (ii) cease to be listed for quotation on all securities exchanges on which the units have been listed for quotation,

the manager shall, within 30 days after the occurrence of such event, offer to purchase from the participants in the specified scheme the units in the specified scheme in accordance with the provisions of the trust deed and in the Schedule.

(3) In this regulation and the Schedule, “specified scheme” means a collective investment scheme that invests only in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes, all or any of which units are listed for quotation on a securities exchange.

THE SCHEDULE

Regulation 2

1. Where any offer to purchase units in the specified scheme is required to be made as a result of the occurrence of an event referred to in regulation 2 (2) (c), the manager of the specified scheme shall make an announcement of the offer to all participants in the specified scheme within 16 days after the occurrence of the event.

2. Where any offer to purchase units in the specified scheme is made, at least 10% of the total value of the assets of the specified scheme shall be made available to satisfy purchase requests received pursuant to the offer.

3. The manager of the specified scheme shall give adequate notice to all participants in the specified scheme of any offer to purchase units in the specified scheme.

4. Any offer to purchase units in the specified scheme shall state —
- (a) the indicative price at which each unit will be purchased;
 - (b) the period during which the offer will remain open;
 - (c) the assets and borrowings of the specified scheme which are to be made available to satisfy purchase requests received pursuant to the offer and, in the case of non-cash assets, the amount of cash that is expected to be available from the sale of such assets;
 - (d) that —
 - (i) if the total amount of cash (including cash from the sale of non-cash assets and borrowings, if any) which is to be made available to satisfy purchase requests made by the participants in the specified scheme pursuant to the offer (referred to in this Schedule as the total available amount of cash) is sufficient to satisfy all purchase requests received pursuant to the offer, all purchase requests will be satisfied in full; and
 - (ii) if the total available amount of cash is insufficient to satisfy all purchase requests made by the participants in the specified scheme pursuant to the offer, the purchase requests will be satisfied on a pro-rata basis in proportion to the number of units which is the subject of each purchase request;
 - (e) that the actual price at which units are to be purchased (as determined by reference to the latest available valuations of the assets of the specified scheme, after deducting appropriate transaction costs) may differ from the indicative price referred to in sub-paragraph (a) due to changes in the value of the assets of the specified scheme during the offer period;
 - (f) that a participant in the specified scheme shall, when making a purchase request, state whether he wishes to proceed with the purchase if his purchase request cannot be satisfied in full;

THE SCHEDULE — *continued*

- (g) that purchase requests made by participants in the specified scheme pursuant to the offer will be satisfied within 30 days after the closing date of the offer unless such period is extended in accordance with paragraph 7; and
 - (h) that the offer may be withdrawn in accordance with paragraph 9.
- 5. Where any offer to purchase units in the specified scheme is made as a result of the occurrence of an event specified in —
 - (a) regulation 2 (2) (c) (i), the offer shall remain open for a period of between 21 and 35 days or until trading in the units in the specified scheme resumes on a securities exchange, whichever is the earlier; or
 - (b) regulation 2 (2) (c) (ii), the offer shall remain open for a period of between 21 and 35 days.
- 6. No purchase request made by a participant in the specified scheme pursuant to any offer to purchase units in the specified scheme shall be satisfied until after the closing date of the offer.
- 7. All purchase requests made by the participants in the specified scheme pursuant to any offer to purchase units in the specified scheme shall be satisfied within 30 days after the closing date of the offer, but such period may be extended —
 - (a) to 60 days after the closing date of the offer if the manager of the specified scheme satisfies the trustee of the specified scheme that such extension is in the best interest of the participants in the specified scheme; or
 - (b) beyond 60 days after the closing date of the offer if such period of extension is approved by all participants in the specified scheme.
- 8. Where the total available amount of cash is sufficient to satisfy all purchase requests made by the participants in the specified scheme pursuant to the offer, all purchase requests shall be satisfied in full.
- 9. Where the total available amount of cash is insufficient to satisfy all purchase requests made by the participants in the specified scheme pursuant to the offer, the purchase requests shall be satisfied on a pro-rata basis, in proportion to the number of units in the specified scheme which is the subject of each purchase request.
- 10. Where trading in the units in the specified scheme resumes on a securities exchange within 30 days after the occurrence of the event specified in regulation 2 (2) (c) (i) —
 - (a) the manager of the specified scheme need not make an offer to purchase units in the specified scheme; or

THE SCHEDULE — *continued*

- (b) if the manager has, prior to the resumption of trading in the units in the specified scheme, made such an offer, the offer may be withdrawn, subject to the manager satisfying all purchase requests made pursuant to the offer which were received by the manager before the withdrawal of the offer.

11. Where any offer to purchase units in the specified scheme is required to be made as a result of the occurrence of an event specified in regulation 2 (2) (c), the manager of the specified scheme shall offer to purchase units in the specified scheme at least once every year after the closing date of the last offer to purchase units and, in the case of the event specified in regulation 2 (2) (c) (i), for as long as trading in the units in the specified scheme does not resume on a securities exchange.

Made this 27th day of January 2005.

KOH YONG GUAN
Managing Director,
Monetary Authority of Singapore.

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