

No. S 000 –

**SECURITIES AND FUTURES ACT
(CHAPTER 289)**

**SECURITIES AND FUTURES (LICENSING AND CONDUCT OF
BUSINESS) (AMENDMENT) REGULATIONS 2003**

In exercise of the powers conferred by sections 85, 87A, 93, 95, 96, 100, 102, 104, 123, 337(1) and 341 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 (Licensing and Conduct of Business) (Amendment) Regulations 2003 and shall come into operation on 22nd December 2003.

Amendment of regulation 2

2. Regulation 2 of the Securities and Futures (Licensing and Conduct of Business) Regulations 2002 (G.N. No. S 457/2002) (referred to in these Regulations as the principal Regulations) is amended by inserting, immediately after the definition of “bond”, the following definition:

““electronic record” has the same meaning as in section 2 of the Electronic Transactions Act (Cap. 88);”.

New regulation 3A

3. The principal Regulations are amended by inserting, immediately after regulation 3, the following regulation:

“Temporary Representative’s Licence

3A.—(1) For the purpose of section 87A(6)(a) of the Act, the Authority shall not grant a temporary representative’s licence to any applicant who has held a temporary representative’s licence for a period which exceeds or for periods which together exceed 6 months, within the period of 24 months before the date of his application for the first-mentioned licence.

(2) For the purpose of section 87A(6)(b) of the Act, the holder of a capital markets services licence supporting an application for a temporary representative’s licence shall furnish to the Authority an undertaking in the form set out in Part XI of Form 4A.

(3) The holder of a capital markets services licence shall comply with the undertaking given by it under paragraph (2).”.

Amendment of regulation 5

4. Regulation 5 of the principal Regulations is amended by inserting, immediately after the words “Part III or VI of Form 3”, the words “or in Part III or VII of Form 4A”.

Amendment of regulation 6

5. Regulation 6 of the principal Regulations is amended —

(a) by deleting paragraph (1) and substituting the following paragraphs:

“(1) The application fees payable to the Authority under section 84(3) of the Act shall be as follows:

- (a) in respect of an application for a capital markets services licence, \$1,000;
- (b) in respect of an application for the renewal of a capital markets services licence, \$500;
- (c) in respect of an application for a representative’s licence, \$200;
- (d) in respect of an application for the renewal of a representative’s licence (other than a temporary representative’s licence), \$100.

(1A) The application fees payable to the Authority under section 90(2) of the Act shall be as follows:

- (a) in respect of an application for the variation of a capital markets services licence, \$500;
- (b) in respect of an application for the variation of a representative’s licence, \$100.”; and

(b) by deleting paragraph (4) and substituting the following paragraphs:

“(4) Subject to paragraph (4A), the licence fee payable to the Authority under section 85 of the Act by the holder of a representative’s licence shall be as follows:

- (a) where the licence relates to dealing in securities and the principal is —
 - (i) a member of the Singapore Exchange Securities Trading Limited, \$800; or
 - (ii) any other person, \$300;
- (b) where the licence relates to fund management, \$300;
- (c) where the licence relates to advising on corporate finance, \$300;

(d) where the licence relates to trading in futures contracts, \$300;

(e) where the licence relates to leveraged foreign exchange trading, \$300.

(4A) The licence fee referred to in paragraph (4) shall be —

(a) in the case of a temporary representative's licence, for the duration of the licence; or

(b) in any other case, for a period of one year or part thereof.”.

Amendment of regulation 9

6. The principal Regulations are amended by renumbering regulation 9 as paragraph (1) of that regulation, and by inserting immediately thereafter the following paragraph:

“(2) In this regulation, “representative's licence” does not include a temporary representative's licence.”.

Amendment of regulation 10

7. Regulation 10 of the principal Regulations is amended by inserting, immediately after paragraph (4), the following paragraph:

“(5) This regulation shall not apply to the holder of a temporary representative's licence.”.

Amendment of regulation 11

8. Regulation 11(6) of the principal Regulations is amended by inserting, immediately after the words “the holder of a representative's licence”, the words “(other than a temporary representative's licence)”.

Amendment of regulation 12

9. Regulation 12(1) of the principal Regulations is amended by deleting the words “in Singapore”.

Amendment of regulation 23

10. Regulation 23(1) of the principal Regulations is amended by deleting sub-paragraph (b) and substituting the following sub-paragraph:

“(b) to ensure the continued maintenance of that account in a case where it is maintained with —

(i) a financial institution specified in regulation 17(1);

or

(ii) a custodian specified in regulation 17(2).”.

Amendment of regulation 39

11. Regulation 39 of the principal Regulations is amended —

- (a) by deleting sub-paragraph (c) of paragraph (1); and
- (b) by inserting, immediately after paragraph (2), the following paragraphs:

“(3) Subject to paragraph (4), the holder of a capital markets services licence to deal in securities, trade in futures contracts or carry out leveraged foreign exchange trading shall —

- (a) as soon as practicable upon the receipt of a customer’s order for —
 - (i) securities quoted on a securities exchange, an overseas securities exchange or a recognised trading system provider;
 - (ii) futures contracts; or
 - (iii) foreign exchange in connection with leveraged foreign exchange trading,

or the receipt of any amendment or cancellation of such an order, prepare and keep a written record of —

- (A) the particulars of the customer’s instruction in the order;
 - (B) the date and time of receipt of the order, amendment or cancellation; and
 - (C) where the order, amendment or cancellation is transmitted to a member of a securities exchange, a futures exchange, an overseas securities exchange or an overseas futures exchange, or to the trading floor of such exchange, the date and time the order, amendment or cancellation is transmitted;
- (b) as soon as practicable upon the receipt of a customer’s order for other securities, or the receipt of any amendment or cancellation of such an order, prepare and keep a written record of —
 - (i) the particulars of the customer’s instruction in the order; and
 - (ii) the date of receipt of the order or of any amendment or cancellation of the order; and

(c) as soon as practicable upon the execution of a customer's order for securities, futures contracts or foreign exchange in connection with leveraged foreign exchange trading, prepare and keep a written record of the particulars of the transaction and —

(i) in the case of an order for —

(A) securities quoted on a securities exchange, an overseas securities exchange or a recognised trading system provider;

(B) futures contracts; or

(C) foreign exchange in connection with leveraged foreign exchange trading,

the date and time of execution of the order or amended order, if any; or

(ii) in the case of an order for other securities, the date of execution of the order or amended order, if any.

(4) Paragraph (3) shall not apply to the holder of a capital markets services licence to trade in futures contracts in respect of a transaction by an arbitrageur or a market-maker for the purchase or sale of futures contracts specified by a futures exchange if —

(a) the arbitrageur or market-maker, as the case may be, has given prior written consent for the holder not to prepare and keep the records as required in paragraph (3);

(b) the transaction is executed on the trading floor; and

(c) the transaction is entered into in accordance with the business rules or practices of the futures exchange.

(5) In this regulation —

“arbitrageur” means a person who —

(a) is appointed, approved or registered by a futures exchange as an arbitrageur in respect of futures contracts specified by the futures exchange; and

(b) purchases or sells any futures contract specified by the futures exchange in a futures

market together with an off-setting sale or purchase of the same or equivalent contract in a different market at as nearly the same time as practicable for the purpose of taking advantage of a difference in prices in the 2 markets;

“market-maker” means a person who —

- (a) is appointed, approved or registered by a futures exchange as a market-maker in respect of futures contracts specified by the futures exchange;
- (b) enters into transactions for the purchase or sale of futures contracts specified by the futures exchange for his own account;
- (c) regularly publishes *bona fide* competitive bid and offer quotations in respect of futures contracts specified by the futures exchange; and
- (d) is ready, willing and able to effect transactions at his quoted prices with other persons in respect of futures contracts specified by the futures exchange.”.

Amendment of regulation 40

12. Regulation 40 of the principal Regulations is amended —

- (a) by deleting paragraph (1) and substituting the following paragraphs:

“(1) The holder of a capital markets services licence shall on a monthly basis furnish to each customer a statement of account containing the particulars referred to in paragraph (2).

(1A) Paragraph (1) shall not apply to the holder where —

- (a) there is no change to any of those particulars since the date on which the last statement of account was made up to; or
- (b) the customer is an accredited investor, or a related corporation of the holder, and —
 - (i) the holder has made available to the customer, on a real-time basis, those particulars in the form of electronic records stored on an electronic facility and the

customer has consented to those particulars being made available to him in this manner;
or

- (ii) the customer has requested, in writing, not to receive the statement of account on a monthly basis from the holder.”;
- (b) by inserting, immediately after the words “monthly statement period” in paragraph (2)(f), the words “, unless the detailed account of financial charges and credits has been included in any contract note or tax invoice issued by the holder to the customer”; and
- (c) by deleting paragraphs (3) and (4) and substituting the following paragraphs:

“(3) Subject to paragraph (4), the holder of a capital markets services licence shall furnish to each customer, at the end of every quarter of a calendar year, a statement of account containing, where applicable, the assets, futures positions, leveraged foreign exchange positions and cash balances (if any) of the customer as at the end of that quarter.

(4) Paragraph (3) shall not apply to the holder of a capital markets services licence where —

- (a) such particulars have been furnished to the customer by the holder in accordance with paragraph (1) for the last month of that quarter;
or
- (b) the holder is exempted from complying with paragraph (1) by virtue of the application of paragraph (1A)(b).”.

Deletion of regulation 44

13. Regulation 44 of the principal Regulations is deleted.

New regulation 50A

14. The principal Regulations are amended by inserting, immediately after regulation 50, the following regulation:

“Exemption for transactions through member of exchange

50A. Section 118 of the Act shall not apply to the holder of a capital markets services licence in respect of any transaction of sale or purchase of securities or futures contracts effected by the holder through a member of —

- (a) a securities exchange or overseas securities exchange;
or
- (b) a futures exchange or overseas futures exchange,

if the holder gives, or arranges with that member to give, to the other party to the transaction a contract note or a copy thereof issued by that member in respect of the transaction in accordance with the rules of that exchange or with any written law governing the issuance of contract notes by members of that exchange.”.

Amendment of regulation 54

15. Regulation 54(1) of the principal Regulations is amended by deleting the words “regulations 44 to 47” and substituting the words “regulations 39(3), (4) and (5) and 45 to 47”.

Amendment of regulation 55

16. Regulation 55 of the principal Regulations is amended by deleting the words “regulation 4” and substituting the words “regulations 3A(3), 4”.

Amendment of First Schedule

17. The First Schedule of the principal Regulations is amended —

- (a) by inserting, immediately after the fourth item (relating to the application for the renewal of a representative’s licence under section 84(1) and (4)) under the heading “LIST OF FORMS”, the following item:

Section 87A(1) and (6)(b) and regulation 3A(2)	Application for a temporary representative’s licence under section 87A(1) and undertaking by holder of capital markets services licence	4A
--	---	----

”; and

(b) by inserting, immediately after Form 4, the following Form:

<p>SECURITIES AND FUTURES ACT (CHAPTER 289)</p> <p>SECURITIES AND FUTURES (LICENSING AND CONDUCT OF BUSINESS) REGULATIONS</p> <p>APPLICATION FOR A TEMPORARY REPRESENTATIVE'S LICENCE UNDER SECTION 87A(1)</p>	<p>FORM</p> <p>4A</p>
---	------------------------------

Explanatory Notes

1. Please read the explanatory notes and questions carefully before completing the application form.
2. All questions must be answered. If a question is not applicable, please mark "N.A." in the space provided. Should there be insufficient space for your answers, please attach annex(es) which should be identified as such and signed by the signatory to this application.
3. Where there is an asterisk (*), please delete whichever is inapplicable.
4. Please tick (✓) in the relevant boxes where appropriate.
5. If there are any changes in the information furnished in the application prior to the issuance of the licence, the Monetary Authority of Singapore (the Authority) should be notified immediately.
6. This application form is to be submitted together with the certificate set out in Part X of this form, duly signed by a director or the secretary of the holder of the capital markets services licence supporting the application, and the undertaking set out in Part XI of this form, duly signed by a director authorised by the board of directors of the holder of the capital markets services licence supporting the application.
7. Please note that under section 133 of the Securities and Futures Act (the Act), the holder of a representative's licence is required to keep a register of his interests in securities at his principal place of business.
8. This application should be accompanied by a cheque made out to "Monetary Authority of Singapore" for the non-refundable application fee prescribed under regulation 6 of the Securities and Futures (Licensing and Conduct of Business) Regulations.

FOR OFFICIAL USE ONLY

Application received on:

Remarks:

Cheque No.:

I. APPLICATION IS HEREBY MADE FOR A TEMPORARY REPRESENTATIVE'S LICENCE BY

(Full name of applicant, including any alias and other names. Underline family name)

TO ACT AS A REPRESENTATIVE OF

(Full name of holder of capital markets services licence supporting the application)

EMPLOYER OF APPLICANT

(If the applicant is not an employee of the holder of capital markets services licence supporting the application)

(Full name of employer)

State the relationship between the holder of capital markets services licence supporting the application and the employer of applicant, if applicable.

II. PROPOSED ACTIVITY

1. Indicate the regulated activity or activities for which the applicant is to act as a representative:-

- Dealing in Securities
- Trading in Futures Contracts
- Leveraged Foreign Exchange Trading
- Advising on Corporate Finance
- Fund Management

2. State reason(s) supporting the application for a temporary representative's licence.

3. State the applicant's designation in the principal and give a brief description of his duties.

4. Highlight potential areas of conflicts of interest where the applicant is to act as a representative in more than one regulated activity, and explain how such conflicts will be resolved or mitigated.

III. PERSONAL PARTICULARS

1. Set out below the personal particulars of the applicant.

1.1	Residential Address in Singapore	
1.2	Contact No(s) in Singapore	
1.3	E-mail Address	
1.4	Date of Birth (dd/mm/yy)	
1.5	Sex	<input type="checkbox"/> Male <input type="checkbox"/> Female
1.6	Place of Birth	
1.7	Nationality (If not a Singapore citizen, state whether a Singapore permanent resident)	
1.8	Identity Card No.	
1.9	Passport No. (For non-Singapore citizen)	
1.10	Unique Identification No. (UIN, for Singapore permanent resident where applicable)	
1.11	If not a Singapore citizen or permanent resident, state whether the holder of an Employment Pass (EP)	<input type="checkbox"/> Yes Immigration Ref. No.: _____ Date of grant of EP: _____ Expiry date of EP: _____ <input type="checkbox"/> No but has applied for EP. Date of application for EP: _____ <input type="checkbox"/> No and has not applied for EP. Reason(s) for not applying: _____

1.12	Whether a permanent resident in another country and if so which country	
------	---	--

2. Set out below the particulars of the applicant's spouse (where applicable).

2.1	Name of applicant's spouse (Underline family name)	
2.2	Date of Birth (dd/mm/yy)	
2.3	Place of Birth	
2.4	Nationality (If not a Singapore citizen, state whether a Singapore permanent resident)	
2.5	Identity Card No.	
2.6	Passport No. (For non-Singapore citizen)	
2.7	Occupation	
2.8	Name of employer	

IV. EDUCATIONAL AND PROFESSIONAL QUALIFICATIONS

Set out below details of highest academic and professional qualifications attained by the applicant and enclose copies of all relevant certificates.

Name and location of school/college/university	Period (mm/yy)		Certificate/diploma/degree awarded
	From	To	

Professional qualifications	Institution	Year conferred

V. EMPLOYMENT HISTORY

Set out details of the applicant's employment history (including periods of part-time employment or unemployment), business and other activities during the past 10 years.

Name and address of employer (if self-employed, state so)	Nature of business of employer	Designation and Department	Brief description of duties	Period (mm/yy)	
				From	To

VI. STATUS WITH OTHER REGULATORY BODIES OR EXCHANGES

Set out below the information on the applicant's status with any regulatory authority for financial services in other jurisdictions, or any overseas securities exchange or futures exchange within the past 10 years. Please enclose a copy of all current licences, registrations or approval documents. If the licence, registration or approval document is not in English, the applicant shall enclose an accurate translation thereof in the English language.

Name of regulatory authority/exchange	Status (Licensed, registered, approved, etc.)	Licence, registration or approval number	Description of activity regulated	Principal company	Period (mm/yy)	
					From	To

VII. DIRECTORSHIP AND SUBSTANTIAL SHAREHOLDING

- Set out details of any directorship or substantial shareholding (5% or more of total nominal amount of voting shares) held by the applicant in any corporation in Singapore or elsewhere. In respect of substantial shareholding in any corporation in Singapore or elsewhere, attach financial statements of such corporations for the past 2 financial years.

Name of corporation and place of incorporation	Nature of business	Directorship (executive/non-executive)	Date of appointment	Percentage shareholding in corporation

- | | | | |
|----|--|-------------------------------------|------------------------------------|
| 2. | Is there/will there be any potential areas of conflicts of interest arising from the applicant's proposed duties as the holder of a temporary representative's licence and his directorship(s) and shareholding(s) as stated above? If yes, please elaborate. | Yes

<input type="checkbox"/> | No

<input type="checkbox"/> |
| 3. | Does the applicant or any corporation in which the applicant controls not less than 20% of the voting rights have a beneficial interest at the time of application, whether direct or indirect, in not less than 5% of the total nominal amount of voting shares of any corporation listed for quotation or quoted on a securities exchange? |

<input type="checkbox"/> |

<input type="checkbox"/> |

VIII. OTHER INFORMATION

1. If the answer to any of the following questions is in the affirmative, attach annexes and supporting documents, where appropriate, to provide all relevant particulars.

	Yes	No
Within the past 10 years, has the applicant —		
(a) been licensed, registered or approved under a law in any jurisdiction which requires licensing, registration or approval in relation to any regulated activity?	<input type="checkbox"/>	<input type="checkbox"/>
(b) been licensed, registered, or otherwise authorised by law to carry on any trade, business (including sole proprietorships and partnerships) or profession (including accountancy, engineering, law and architecture) in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>
(c) been refused the right or restricted in his right to carry on any trade, business or profession for which a specific licence, registration or other authorisation is required by law in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>
(d) been censured, disciplined, suspended or refused membership or registration by a securities exchange, futures exchange, overseas securities exchange or overseas futures exchange or regulatory authority of any business or profession?	<input type="checkbox"/>	<input type="checkbox"/>
(e) been involved with a corporation which had been censured, disciplined, suspended or refused membership or registration by a securities exchange, futures exchange, overseas securities exchange or overseas futures exchange or regulatory authority of any business or profession?	<input type="checkbox"/>	<input type="checkbox"/>
(f) been a shareholder of any corporation which holds membership of any class or description of any securities exchange, futures exchange, overseas securities exchange or overseas futures exchange?	<input type="checkbox"/>	<input type="checkbox"/>
(g) carried on business under any name other than the name stated in this application?	<input type="checkbox"/>	<input type="checkbox"/>
(h) been convicted of any offence in Singapore or elsewhere or been subject to any proceedings currently pending which may lead to such a conviction?	<input type="checkbox"/>	<input type="checkbox"/>

- (i) had any judgment (including a finding of fraud, misrepresentation, or dishonesty) given against him in any civil proceedings, in Singapore or elsewhere, or been a party to any proceedings currently pending which may lead to such a judgment?
- (j) been declared an undischarged bankrupt, entered into a compromise or scheme of arrangement with his creditors or made an assignment for the benefit of his creditors, in Singapore or elsewhere?
- (k) been refused a fidelity or surety bond, in Singapore or elsewhere?

2. Set out any additional information that the applicant considers to be relevant or material to this application.

IX. DECLARATION

- 1. I am aware that section 92 of the Act provides as follows:
 “ANY PERSON WHO, IN CONNECTION WITH AN APPLICATION FOR A LICENCE OR THE RENEWAL OR VARIATION OF A LICENCE, WILFULLY MAKES A STATEMENT WHICH IS FALSE OR MISLEADING IN A MATERIAL PARTICULAR, KNOWING IT TO BE FALSE OR MISLEADING, OR WILFULLY OMITTS TO STATE ANY MATTER OR THING WITHOUT WHICH THE APPLICATION IS MISLEADING IN A MATERIAL RESPECT, SHALL BE GUILTY OF AN OFFENCE AND SHALL BE LIABLE ON CONVICTION TO A FINE NOT EXCEEDING \$50,000 OR TO IMPRISONMENT FOR A TERM NOT EXCEEDING 12 MONTHS OR TO BOTH.”
- 2. I declare that all information given in this application and in the attached annexes (if any) is true and correct.

Signature : _____
 (Signed by Applicant)

Date : _____
 (dd/mm/yy)

X. CERTIFICATE

This certificate shall be signed by a director or the secretary of the holder of the capital markets services licence by whom the applicant is or is to be employed or for or by arrangement with whom the applicant is or is to be acting, for and on behalf of the holder.

To the Authority:

On the basis of due and diligent enquiry made on the background of the applicant named in the attached Form 4A in the First Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations who is to act as our representative for 3 months from the date of the issue

of a temporary representative's licence, and other information available, we believe him/her* to be of good character and reputation and to have the competence and experience to perform the function of a representative.

Signature : _____
 Name : _____
 Designation : _____
 Date : _____
 (dd/mm/yy)

XI. UNDERTAKING

This undertaking shall be signed by a director of the holder of the capital markets services licence by whom the applicant is or is to be employed or for or by arrangement with whom the applicant is or is to be acting, for and on behalf of the holder. The holder of the capital markets services licence shall ensure that the director is authorised by the board of directors to sign the undertaking.

To the Authority:

We, _____ (name of holder of capital markets services licence) undertake, in respect of all regulated activities to be carried out by _____ (name of applicant for temporary representative's licence) for us under his/her* temporary representative's licence —

- (1) full responsibility for the activities and conduct of _____ (name of applicant), including all obligations assumed and liabilities incurred by him/her*, whether actual or contingent and howsoever arising;
- (2) to ensure that _____ (name of applicant):
 - (a) understands and complies with all Singapore laws that pertain to the temporary representative's licence or are relevant to the regulated activities conducted by him/her*; and
 - (b) is accompanied at all times when he/she* is in contact with any investor, client or member of the public (other than an accredited investor as defined under Section 2 of the Securities and Futures Act (the "Act"), a person set out in Section 274 of the Act or a person whose business involves the acquisition and disposal, or the holding of capital markets products (whether as principal or as agent)) by any of the following persons:

- (i) the holder of a representative's licence (granted under Section 87 of the Act) for whom we are principal to;
- (ii) a director of our corporation who is approved under section 96 of the Act by the Authority;
- (iii) an officer of our corporation whose primary function is to ensure that the carrying out of the regulated activities complies with the laws referred to in paragraph (a);
- (iv) an officer of our corporation appointed to supervise the conduct of the applicant in carrying out the regulated activities.

Signature : _____
Name : _____
Designation : _____
Date : _____

(dd/mm/yy)"

Amendment of Second Schedule

18. The Second Schedule of the principal Regulations is amended by deleting the word “or” at the end of paragraph 5(1)(e).

Made this 20th day of November 2003.

KOH YONG GUAN
Managing Director,
Monetary Authority of Singapore.

[SFD CMI 01/2002 PT 1; AG/LEG/SL/289/2002/1 Vol. 1]