



Monetary Authority of Singapore

**SECURITIES AND FUTURES ACT
(CAP. 289)**

GUIDELINES ON CRITERIA FOR THE GRANT OF A
TEMPORARY REPRESENTATIVE'S LICENCE

Guideline No : SFA 04-G04

Issue Date : 22 December 2003 (Revised on 1 July 2005)

GUIDELINES ON CRITERIA FOR THE GRANT OF A TEMPORARY REPRESENTATIVE'S LICENCE

1 Purpose of these Guidelines

1.1 These Guidelines are issued pursuant to section 321 of the Securities and Futures Act (Cap. 289) ["SFA"].

1.2 These Guidelines set out the features of a temporary representative's licence and the admission criteria for the granting of such a licence. The temporary representative's licence scheme came into effect on 22 Dec 2003, together with the amendments to the SFA in 2003.

[Amended on 1 July 2005]

1.3 These Guidelines should be read in conjunction with the provisions of the SFA and the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10) ["SFR"].

[Amended on 1 July 2005]

2 Targeted Applicants of Temporary Representative's Licence

2.1 Section 83 under Part IV of the SFA requires any person acting as a representative of a holder of a capital markets services ("CMS") licence in any regulated activity or holding himself out as doing so, to hold a representative's licence for that regulated activity.

2.2 Under the SFA, a representative's licence is valid for a period of 3 years. Representatives of CMS licence holders who are residing outside Singapore may also apply for representative's licences, although these overseas-based representatives would normally stay a considerable period per year in Singapore during the validity of the licence.

2.3 Representatives acting for an existing CMS licensee, who wish to conduct regulated activities on a temporary or short-term basis, may apply for a temporary

representative's licence under section 87A of the SFA, so long as they fulfil the admission criteria specified in paragraph 4 below. An applicant for a temporary representative's licence must be sponsored by a holder of a CMS licence.

2.4 The temporary representative's licence scheme is meant to complement the licensing requirements under Part IV of the SFA in addressing unexpected business needs. Individuals who intend to conduct regulated activities on a regular basis should apply for the representative's licence and comply with all relevant requirements. The temporary representative's licence is not intended as a provisional licence while an applicant is waiting for the approval and issuance of a representative's licence.

3 Salient Features of a Temporary Representative's Licence

3.1 A temporary representative's licence will be valid for a period of 3 months. A holder of a temporary representative's licence may submit a fresh application for a further 3-month period if more time is required to complete the work assignment. The Authority may grant a temporary representative's licence for a total maximum period of 6 months within a 24-month period. The 24-month period will commence on the date of issue of the first temporary representative's licence. Applicants who foresee the need for more frequent visits to Singapore to conduct regulated activities should apply for a representative's licence under section 87 of the SFA instead.

3.2 A temporary representative's licence will be subject to a condition that the representative is not allowed to change his principal during the period of validity of the licence. If the representative wishes to change his principal, the representative will need to request the Authority to cancel his current temporary representative's licence, and submit a new application to the Authority for another licence to represent the new principal.

3.3 MAS Notice No: SFA 04-N06 (replacing SFA 04-N05 with effect from 1 July 2005) would not be applicable to temporary representative's licence holders. Therefore temporary representative's licence holders would not be required to satisfy the CFMAS examination requirements specified in that Notice.

[Amended on 1 July 2005]

3.4 The processing time for an application for a temporary representative's licence is estimated to be 10 working days upon the Authority's receipt of a fully and correctly completed application with all required documents enclosed.

4 Key Admission Criteria for Applicants

4.1 When considering an application, the Authority's key admission criteria will include an assessment of whether the applicant is "fit and proper", his honesty, integrity and reputation as well as his competence and capability for the proposed activities. Other criteria will include but not be limited to the following:

- a) the applicant should currently be licensed, authorised or otherwise regulated by an overseas regulator recognised by the Authority in respect of the activity to be specified in his application for a temporary representative's licence;
- b) the applicant is currently not residing in Singapore;
- c) the applicant should be an employee of a related company belonging to the same financial group as the local CMS licensee;
- d) the applicant should normally possess at least 5 years of relevant experience;
- e) the applicant should possess at least a Bachelor's degree or equivalent, or a professional qualification¹.

5 Obligations of the CMS licensee

5.1 An applicant of a temporary representative's licence must be sponsored by a holder of a CMS licence. The CMS licensee is answerable and accountable for the conduct of the holder of the temporary representative's licence. Specifically, the CMS licensee is required to furnish an undertaking², as provided for under regulation 3A(2) of the SFR, to the Authority that it will be fully responsible for the activities and conduct of the temporary representative's licence holder before the Authority will grant the licence to an applicant. The undertaking is to be furnished in the form specified under Part XI of Form 4A (Application for a Temporary Representative's Licence)³, and, as specified in Form 4A, is to be duly signed by a director who is authorised by the board of directors of the CMS licensee.

[Amended on 1 July 2005]

¹ Acceptable professional qualifications include those listed in the exemptions for CMFAS Product Knowledge and Analysis Papers, as specified in MAS Notice No: SFA 04-N06.

² Pursuant to regulation 3A(3) of the SFR, the CMS licensee shall comply with the terms specified in the letter of undertaking. Regulation 55 of the SFR provides the penalty for a breach of regulation 3A(3).

³ The forms referred to in the SFR are set out at the MAS' Internet website at <http://www.mas.gov.sg> (under "Legislation and Notices", "Securities and Futures").

- 5.2 Under the terms of the undertaking, the CMS licensee is required to –
- (a) ensure that the temporary representative's licence holder complies with all local laws and requirements that are relevant to the regulated activities permitted under the temporary representative's licence; and
 - (b) ensure that the temporary representative's licence holder 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, expert investor, or institutional investor, as defined in section 4A(1) of the SFA) by any of the following persons:
 - (i) the holder of a representative's licence (granted under section 87 of the SFA) for whom the CMS licensee is principal to;
 - (ii) a director of the CMS licensee who is approved under section 96 of the SFA by the Authority;
 - (iii) an officer of the CMS licensee whose primary function is to ensure that the carrying out of the regulated activities complies with the laws referred to in paragraph (a), i.e. a compliance officer;
 - (iv) an officer of the CMS licensee appointed to supervise the conduct of the temporary representative's licence holder in carrying out the regulated activities, i.e. the direct reporting supervisor or business unit head.