

**DRAFT GUIDELINES ON STANDARDS OF CONDUCT  
FOR LICENSED TRUST COMPANIES**

**DISCLAIMER: This version of the Guidelines is in draft form and subject to change.**



The Monetary Authority of Singapore

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# **TRUST COMPANIES ACT (ACT 11 OF 2005)**

## **GUIDELINES ON STANDARDS OF CONDUCT FOR LICENSED TRUST COMPANIES**

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**Guideline No:**TCA 0[...]-G0[...]

**Issue Date:** [...] 05

## **GUIDELINES ON STANDARDS OF CONDUCT FOR LICENSED TRUST COMPANIES**

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### **1. Purpose of these Guidelines**

1.1 These Guidelines are issued pursuant to section 74 of the Trust Companies Act (Act 11 of 2005) (“the Act”) to provide guidance on the standards of conduct expected of licensed trust companies.

1.2 The Monetary Authority of Singapore (“MAS”) expects all licensed trust companies to have regard to these Guidelines, so as to help foster professional standards and enhance confidence in the trust business industry.

1.3 MAS is cognizant of the fact that specific situations may require appropriate modifications to these Guidelines. Given the differences amongst licensed trust companies, each licensed trust company may need to adapt these Guidelines to its particular circumstances.

1.4 These Guidelines should be read in conjunction with the provisions of the Act, Trust Companies Regulations 2005 (“the Regulations”) as well as written directions, notices, codes and other guidelines that MAS may issue from time to time.

1.5 MAS will be guided by these Guidelines in considering whether a licensed trust company satisfies the business conduct requirements that are set out in the Act or any of its subsidiary instruments, or is fit and proper to be engaged in trust business.

### **2. Definitions**

2.1 For the purposes of these Guidelines:

“client” includes the settlor, beneficiary of a trust and a prospective settlor or beneficiary.

### **3. Integrity**

3.1 A licensed trust company should conduct its trust business with honesty, fairness, integrity and professionalism in order to maintain good faith and confidence in the trust business industry.

3.2 A licensed trust company should not engage in any conduct involving fraud or dishonesty, or commit any act that reflects adversely on its honesty or trustworthiness or that compromises its integrity.

#### **4. Competence and Human Resources**

4.1 A licensed trust company should act with competence and strive to maintain the necessary knowledge and expertise in its trust business.

4.2 A licensed trust company should provide the service only in those areas in which it has the necessary competence and skills. Where the licensed trust company is not professionally competent in a specific area, it should consult other qualified professionals and/or advise the client to seek the advice of other qualified professionals.

4.3 A licensed trust company should ensure that any person it employs or appoints to conduct trust business is suitably qualified and competent, and that the person possesses the relevant professional training or experience to act in the capacity so employed or appointed.

4.4 A licensed trust company should provide its officers and employees with relevant training so as to enhance their competence, knowledge and skills.

4.5 A licensed trust company should ensure that its officers or employees are kept abreast of advances in the trust services industry and participate in continuing education throughout the officers' or employees' professional career in order to maintain the necessary competence, knowledge and skills in all the activities the officers or employees are engaged in.

4.6 A licensed trust company should have procedures in place for the continuing professional development of its officers, with special focus on the professional development of its resident managers.

4.7 A licensed trust company should keep records of the continuing professional development programmes for its officers.

#### **5. Due Care And Diligence**

5.1 A licensed trust company should act with due care and diligence in conducting its trust business.

##### Supervision of Officers and Employees

5.2 A licensed trust company should have adequate systems and processes in place to ensure proper supervision of its officers and employees and their activities.

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## **6. Complaints Handling**

6.1 A licensed trust company should have in place adequate procedures and processes for handling complaints relating to its trust business.

6.2 It should ensure that:

- (a) complaints are handled in a fair, timely and appropriate manner;
- (b) complaints are promptly investigated and responded to; and
- (c) an officer is designated to handle all complaints.

6.3 A licensed trust company should maintain a register of complaints, containing details of complaints received and how they have been dealt with. The management of the licensed trust company should review the register regularly.

## **7. Acceptance of Business**

7.1 A licensed trust company must have policies and procedures in place to govern its acceptance of trust business, in particular to take all reasonable steps to establish the true and full identity of its client and ensure it complies with the “know your client” due process outlined in the Notice on Prevention of Money Laundering issued by MAS.

## **8. Procedures for Compliance with Laws**

8.1 A licensed trust company should maintain adequate knowledge of and comply with all applicable laws, rules and regulations relevant to its trust business, including these Guidelines.

8.2 A licensed trust company should take all reasonable steps, including the establishment of internal procedures, to ensure that any person it employs or appoints to conduct business for or with trust parties or potential trust parties is conversant and complies with all applicable laws, rules and regulations relevant to its business.