

CONSULTATION PAPER

03 - 2003
April 2003

Draft
Financial Advisers
(Amendment)
Bill 2003

MAS

Monetary Authority of Singapore

BACKGROUND

1 The Financial Advisers Act (“FAA”) was passed in Parliament in October 2001 and came into force on 1 October 2002. The FAA provides an integrated regulatory framework for persons engaging in advisory activities, and ensures consistency in requirements and uniform standards across institutions providing financial advice.

2 While our financial advisory industry is still in its nascent stage of development, the challenge for MAS is to ensure that our regulatory regime for financial advisory services stays relevant and conducive to the development of the industry whilst providing an adequate level of investor protection.

PROPOSED LEGISLATIVE AMENDMENTS TO THE FAA

3 As part of our on-going effort to improve our regulatory framework, MAS intends to amend the FAA in 2 phases, with the first phase targeted for the second half of 2003. This two-phased review corresponds with the proposed schedule for amending the Securities and Futures Act (“SFA”).

4 This consultation paper sets out the proposed amendments to the FAA in the first phase, which are contained in the draft Financial Advisers (Amendment) Bill 2003 [“FA(A) Bill 03”]. The draft FA(A) Bill 03 is attached at ***Annex 1***.

5 The second phase of amendments to the FAA is targeted for the second half of 2004. Consultation on the second phase will be sent out at a later date.

FINANCIAL ADVISERS (AMENDMENT) BILL 2003

6 The draft FA(A) Bill 03 principally comprise minor policy changes and technical modifications to clarify MAS’ administration of the FAA. MAS has also proposed amendments to refine the language of the FAA and improve the consistency of requirements in the FAA with those in the SFA. A summary of the

proposed amendments contained in the draft FA(A) Bill 03 is attached at **Annex 2**.

7 This consultation will focus on the amendments highlighted in paragraph 6. There will be opportunities for further comment by industry practitioners and other interested parties during the consultation for the second phase of amendments to the FAA.

MAS seeks your views on the proposed amendments.

REQUEST FOR COMMENTS

8 MAS invites interested parties to forward their views and comments on the draft FA(A) Bill 03. Written comments may be submitted to:

Market Conduct Policy Division
Market and Business Conduct Department
Monetary Authority of Singapore
10 Shenton Way
MAS Building
Singapore 079117

Email: fa_amdt03@mas.gov.sg

Fax: (65)6225-9766

MAS would request that all comments and feedback be submitted by 22 May 2003.

9 Please note that all submissions received may be made public unless confidentiality is specifically requested for whole or part of the submission.