

CONSULTATION PAPER

02 - 2003  
April 2003

**Draft Securities  
and Futures  
(Amendment)  
Bill 2003**

MAS

Monetary Authority of Singapore

## INTRODUCTION

1 In October 2001, Parliament passed the Securities and Futures Act ("SFA"). The SFA was enacted after a comprehensive review of Singapore's securities and futures legislation by the Monetary Authority of Singapore (MAS). It introduced major structural policy initiatives in the securities and futures industries by rationalising and consolidating the provisions in the repealed Securities Industry Act, the repealed Futures Trading Act, and certain securities-related provisions in the Companies Act into a single comprehensive legislation.

2 MAS had implemented the new legislation in phases, from 1 January 2002 to 1 October 2002.

## PROPOSED LEGISLATIVE AMENDMENTS TO THE SFA

3 As part of its on-going effort to improve its regulatory framework, MAS intends to amend the SFA in two phases. The first phase is targeted for the second half of 2003 to reflect mainly the recommendations made by the Company Legislation and Regulatory Framework Committee ("CLRFC")<sup>1</sup>, which were accepted by the Government in an announcement made by Deputy Prime Minister Lee Hisen Loong on 22 October 2002.

4 This consultation paper sets out the proposed amendments to the SFA in the first phase, which are contained in the draft Securities and Futures (Amendment) Bill 2003. The draft Amendment Bill is attached at **Annex 1**.

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<sup>1</sup> The CLRFC was appointed by the Ministry of Finance, the Attorney-General's Chambers and the Monetary Authority of Singapore in December 1999. The terms of reference were "to undertake a comprehensive and coherent review of our company law and regulatory framework and recommend a modern company law and regulatory framework for Singapore which accords with global standards and which will promote a competitive economy". The Committee presented its Final Report to the Government in October 2002.

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

## **SECURITIES AND FUTURES (AMENDMENT) BILL 2003**

6 The Securities and Futures (Amendment) Bill 2003 ["SF(A) Bill 03"] principally comprises amendments to provisions in Part XIII of the SFA that relate to offers on investments to implement some of CLRFC's recommendations. The CLRFC had previously conducted two rounds of public consultation, the first in October 2001 on the areas that the CLRFC had identified for review, and the second from May 2002 to July 2002 on its draft report.

For the purposes of the present consultation, MAS would like to seek comments on the proposed changes in the Amendment Bill made to reflect the CLRFC recommendations. A list of the relevant CLRFC recommendations is found in **Annex 2**.

7 MAS has also proposed a number of amendments to the other Parts of the SFA to improve drafting, make technical or consequential amendments and institute minor policy changes.

MAS seeks your views on these technical amendments.

8 This current consultation focuses only on the proposed amendments relating to the implementation of the CLRFC recommendations and technical amendments to other parts of the SFA. A summary of the proposed amendments contained in the Amendment Bill is attached at **Annex 3**. There will be opportunities for further comment by industry practitioners and other interested parties during the consultation for the second phase SFA amendments.

## REQUEST FOR COMMENTS

9 MAS invites interested parties to forward their views and comments on the draft SF(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:** [sf\\_amdt03@mas.gov.sg](mailto:sf_amdt03@mas.gov.sg)

**Fax:** (65)6225-9766

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

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