



Monetary Authority of Singapore

SECURITIES AND FUTURES ACT (CAP. 289)

**NOTICE ON PROHIBITED REPRESENTATIONS
MADE BY EXEMPT FINANCIAL INSTITUTIONS
UNDER THE SECOND SCHEDULE TO THE SECURITIES
AND FUTURES (LICENSING AND CONDUCT OF
BUSINESS) REGULATIONS (RG 10)**

FREQUENTLY ASKED QUESTIONS

NOTICE ON PROHIBITED REPRESENTATIONS BY EXEMPT FINANCIAL INSTITUTIONS UNDER THE SECOND SCHEDULE TO THE SECURITIES AND FUTURES (LICENSING AND CONDUCT OF BUSINESS) REGULATIONS (RG 10)

FREQUENTLY ASKED QUESTIONS

1. *What prompted this Notice?*

The Notice was prompted by the Monetary Authority of Singapore [“MAS”] having received enquiries regarding the licensing status of Exempt FIs as well as MAS' supervision over them. It is intended to provide clarity to the public on the level of supervisory oversight MAS has over the Exempt FIs.

2. *How does this Notice affect Exempt FIs?*

An Exempt FI and its representatives shall not represent itself, nor cause to be represented, as being licensed, regulated, supervised or registered by “MAS”, whether verbally or in writing.

3. *Why should Exempt FIs refrain from using the terms “licensed”, “regulated”, “supervised”, or “registered” to describe their regulatory status?*

When an Exempt FI states that it is “licensed”, “regulated”, “supervised”, or “registered” by MAS, it may inadvertently create an incorrect impression that the Exempt FI is supervised by MAS. In many foreign jurisdictions, the word “registration” has been used interchangeably, or implies similar meanings, with the words “licensed”, “regulated” or “supervised”. In Singapore, since Exempt FIs may lodge for the exemption under the 2nd Schedule to the SFR as long as they meet the specified conditions, it would not be correct for the public to assume that MAS has conducted checks on the financial soundness, or the fit and proper, of the Exempt FIs before admitting them.

4. *Exempt FIs have to lodge the relevant forms to notify MAS of their commencement of business. Is this similar to a “registration” process? If so, why are Exempt FIs prohibited from using the word “registered”?*

Notification is not synonymous with registration. In other Acts administered by MAS, for example, the Insurance Act, certain classes of brokers and reinsurers are “registered” with MAS and such registered entities come within the regulatory purview and supervisory oversight of MAS. In websites of certain foreign jurisdictions, the word "registered" is also used interchangeably, or implies similar meanings, with the words "licensed", "regulated", or "supervised". Permitting the use of the word "registered" may lead to an incorrect interpretation of what "registration" entails.

5. *If the terms listed in the Notice cannot be used, how may Exempt FIs describe their exempt status in a way that is not misleading?*

To mention that an exempt FI has "lodged with MAS..." or “notified MAS....” would not be misleading.