



Monetary Authority of Singapore

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

**FINANCIAL ADVISERS ACT
(CAP. 110)**

**GUIDELINES ON LICENCE APPLICATIONS,
REPRESENTATIVE NOTIFICATION AND PAYMENT OF
FEES**

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GUIDELINES ON LICENCE APPLICATIONS, REPRESENTATIVE NOTIFICATION AND PAYMENT OF FEES

1 Purpose of these Guidelines

1.1 These Guidelines are issued pursuant to section 321 of the Securities and Futures Act (Cap. 289) (“SFA”) and section 64 of the Financial Advisers Act (Cap. 110) (“FAA”) (collectively, the “Acts”) to provide guidance on procedures in relation to licence application, appointment of representatives and payment of the applicable fees under the Acts.

1.2 These Guidelines set out the administrative procedures for companies and representatives who wish to carry out the following under the Acts:

Section I: Corporate Licence Holders

- (i) Application for a new capital markets services (“CMS”) or financial adviser’s (“FA”) licence;
- (ii) Application to add regulated activities to an existing CMS licence, or to provide additional type(s) of financial advisory service or investment product under an existing FA licence;

Section II: Representatives

- (iii) Lodgment to be an appointed representative to carry out regulated activities under the SFA and/or provide financial advisory services under the FAA;
- (iv) Lodgment to add regulated activities under the SFA and/or to provide additional types of financial advisory services or investment products under the FAA;
- (v) Lodgment to be a provisional representative to carry out regulated activities under the SFA and/or to provide financial advisory services under the FAA;
- (vi) Lodgment by a provisional representative for conversion to be an appointed representative under the SFA and/or the FAA;
- (vii) Lodgment to be a temporary representative to carry out regulated activities under the SFA;
- (viii) Lodgment for the change of particulars for an appointed, provisional or temporary representative; and
- (ix) Lodgment for the cessation of regulated activities by an appointed or provisional representative under the SFA and/or FAA, or a temporary representative under the SFA.

These Guidelines also explain the manner in which fees are computed and the procedures for the payment of fees by licence holders and representatives.

1.3 The Monetary Authority of Singapore (“the Authority”) expects all licence holders and representatives to adhere to these Guidelines where applicable, so as to ensure consistency and efficiency in the processing of licence applications and representative notifications.

1.4 These Guidelines should be read in conjunction with the provisions of the Acts, the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10) [“SFR”], the Financial Advisers Regulations (Rg 2) [“FAR”], as well as written directions, notices, codes and other guidelines that the Authority may issue from time to time.

1.5 All terms used in these Guidelines shall, except where the context otherwise requires, have the same meaning as defined in the Acts.

SECTION I: CORPORATE LICENCE HOLDERS

2 Procedures for application of new licence under the SFA and FAA

2.1 Section 82 of the SFA requires a person who carries on business in any regulated activity under the SFA to hold a CMS licence for that regulated activity. The regulated activities are listed in paragraph I of **Appendix 1**. Persons who wish to apply for a new licence for any regulated activity under the SFA, other than fund management, should submit Form 1 under the SFR¹. Persons applying for a CMS licence for the regulated activity of fund management should submit Form 1A under the SFR through the MAS Corporate Electronic Lodgement System [“CeL”] at <https://eservices.mas.gov.sg/cel/submission/Instructions.aspx>

[Amended on 7 August 2012]

2.2 Section 6 of the FAA requires a person who acts as a financial adviser in Singapore in respect of any financial advisory service to hold an FA licence. The types of financial advisory service regulated under the FAA are listed in paragraph II of **Appendix 1**. Persons who wish to apply for a new licence to provide any financial advisory services under the FAA should submit Form 1 under the FAR².

2.3 All applications (except applications by electronic submission through CeL) should be accompanied by the prescribed application fee via cheque made payable to MAS. Applicants making an application by electronic submission through CeL will

¹ The forms referred to in the SFR are set out at the Authority’s Internet website at <http://www.mas.gov.sg> (under “Regulations and Licensing”, “Securities, Futures and Fund Management”).

² The forms referred to in the FAR are set out at the Authority’s Internet website at <http://www.mas.gov.sg> (under “Regulations and Licensing”, “Financial Advisers”).

receive a fee advice and instructions on how the application fee should be paid. The application fee is non-refundable. Please refer to **Appendix 2** for the applicable application fees in respect of the various types of licence applications.

[Amended on 7 August 2012]

2.4 Upon approval of the licence application, the Authority will advise the applicant on the amount of licence fees payable by issuing to the applicant a “Licence Fee Advice (New Applications)”. Licences issued will be sent out to licensees together with the Licence Fee Advice (New Applications). Licences issued do not expire.

2.5 For payment of licence fees via cheque, the corporate licence holder concerned should pay the licence fees within 2 weeks from the date of the Licence Fee Advice (New Applications). Failing which, the Authority may, pursuant to regulation 6(3) of the SFR or regulation 6(3) of the FAR, as the case may be, impose a late payment fee of \$100 for every day or part thereof that the payment is late, subject to a maximum of \$3,000.

2.6 Please refer to paragraph 4.2 for the computation of the licence fees to be paid for new licence applications.

3 Procedures for application to add new regulated activities to an existing CMS licence, or to provide additional type(s) of financial advisory service or investment product under an existing FA licence

3.1 Holders of a CMS licence who wish to apply to add one or more new regulated activities to their existing CMS licence should submit Form 5 under the SFR.

3.2 Licensed financial advisers who intend to provide:

- (a) additional type(s) of financial advisory service under their existing licences; or
- (b) additional type(s) of investment products in respect of the type of financial advisory service which they are authorized to provide,

should submit Form 2 under the FAR.

3.3 The applicant should have an existing GIRO arrangement with the Authority for the payment of application and licence fees under the respective Acts. The non-refundable application fee will be deducted via GIRO from the bank account of the applicant. Please refer to **Appendix 2** for the applicable application fees in respect of the various types of licence applications.

3.4 Upon approval of the application for additional regulated activity(ies) to a CMS licence or additional type(s) financial advisory service or investment product, the Authority will advise the CMS licence holder or licensed FA (as the case may be) on the amount of licence fees payable by issuing a “Fee Advice (New Applications)”.

3.5 A new licence reflecting the additional regulated activities or type(s) financial advisory service or investment product will be issued. The new licence will be sent to the licensee upon the return of the old licence to the Authority.

3.6 To streamline the annual licence fee collection process, the Authority will collect licence fees for CMS licence holders and licensed FAs in December of each year in advance for the following year. For payment of licence fees via GIRO, the licence holder should ensure sufficient funds in its bank account for the GIRO deduction on the deduction date as stated on the “Fee Advice (New Applications)”. In the event of a failure to make payment, the Authority may, pursuant to regulation 6(3) of the SFR and regulation 6(3) of the FAR, as the case may be, impose a late payment fee of \$100 for every day or part thereof that the payment is late, subject to a maximum of \$3,000.

3.7 Please refer to paragraphs 4.1 to 4.3 for the computation of annual licence fees for CMS licence holders and licensed FAs.

4 Lodgment and licence fee computations

4.1 Annual licence fees

4.1.1 The annual licence fee for each regulated activity is set out in **Appendix 2**.

4.1.2 A CMS licence holder will pay annual fees that correspond to the types of regulated activities it undertakes. Corporations engaging in two or more regulated activities will have to pay the sum of all licence fees applicable for each regulated activity.

4.1.3 A licensed financial adviser will pay a single annual licence fee, regardless of the number of different financial advisory services it provides.

Example 1A

If a company conducts the following regulated activities:

1. dealing in securities (as a member of SGX-ST);
2. advising on corporate finance; and
3. trading in futures contracts.

According to Appendix 2,

Total fee payable = \$8,000 + \$4,000 + \$2,000 = \$14,000

Example 1B

If a company provides the following financial advisory services:

1. advising others, either directly or through publications or writings, and whether in electronic, print or other form, concerning the following investment products:
 - (i) collective investment schemes; and
 - (ii) life policies (other than a contract of reinsurance);
2. marketing of collective investment schemes ; and
3. arranging of contracts of insurance in respect of life policies, other than a contract of reinsurance.

According to Appendix 2,
Total fee payable = \$2,000

4.2 Pro-rated licence fee for new licence holders

4.2.1 For new licence holders, the **licence fee payable** for the first calendar year of it being licensed is computed based on the pro-rated amount of the annual licence fee for the period from the licence issue date to 31 December of the same year. Examples 2A and 2B shows the computation of the first year's licence fee payable for a CMS licence holder and a licensed financial adviser respectively.

Example 2A

A company conducts the following activities:

1. dealing in securities (as a member of SGX-ST);
2. advising on corporate finance; and
3. trading in futures contracts.

The company's licence is issued on 5 March 2010.

Licence fee details – Corporate CMS licence holder	
First issue date	5 March 2010
Annual fee	\$14,000
Pro-rated fee payable for first calendar year (for the period 5 March 2010 – 31 December 2010, or for 302 days)	\$11,583.56
Subsequent annual fee payable	\$14,000

[Amended on 1 October 2011]

Example 2B

A company provides the following financial advisory services:

1. advising others, either directly or through publications or writings, and whether in electronic, print or other form, concerning the following investment products:
 - (i) collective investment schemes; and
 - (ii) life policies (other than a contract of reinsurance);
2. marketing of collective investment schemes; and

3. arranging of contracts of insurance in respect of life policies, other than a contract of reinsurance.

The company's licence is issued on 5 March 2010.

Licence fee details – Licensed FA	
First issue date	5 March 2010
Annual fee	\$2,000
Pro-rated fee payable for the first calendar year (for the period 5 March 2010 – 31 December 2010, or for 302 days)	\$1,654.79
Subsequent annual fee payable	\$2,000

[Amended on 1 October 2011]

4.3 Pro-rated licence fee for additional regulated activity for CMS licence holders

4.3.1 Where a CMS licence holder adds a new regulated activity to the licence, the licence fee for the additional activity is also pro-rated for the period from the issue date of the new licence (that reflects the additional regulated activity) to 31 December of the same year. Example 3 below shows the scenario where an existing CMS licence holder is granted approval to add a new regulated activity.

4.3.2 For **subsequent payment of annual licence fees**, the annual fee of the additional regulated activity will be added to the existing annual fee.

Example 3

A company is issued a CMS licence on 5 March 2010 to conduct the following activities:

1. dealing in securities (as a member of SGX-ST); and
2. trading in futures contracts.

The company decides to add a new activity to its licence to provide fund management, and a new licence is issued on 3 October 2011 when the new activity application is approved.

Licence fee details – Corporate CMS licence holder	
Add new activity: fund management	
First Issue Date	5 March 2010
Date of licence issued with new activity	3 October 2011
Current annual fee (1 January 2011 to 31 December 2011) Fee payable = \$8,000 + \$2,000 = \$10,000	\$10,000
Annual fee for fund management activity	\$4,000
Pro-rated fee for new activity payable for remaining calendar year (for the period 3 October 2011 to 31 December 2011, or for 90 days)	$(90/365) * \$4,000 = \986.30
Subsequent annual fee payable	\$14,000

[Amended on 1 October 2011]

SECTION II: REPRESENTATIVE NOTIFICATION

5 Procedures for notification of representatives under the SFA and FAA

5.1 Section 99H of the SFA and section 23H of the FAA require a principal intending to appoint an appointed, provisional or temporary³ representative in respect of any type of regulated activity or financial advisory service under the SFA or FAA to lodge a notification of intent with the Authority.

5.2 Principals who wish to appoint representatives or vary the activities of representatives for any regulated activities under the SFA and/or financial advisory services under the FAA should submit the following online notification via the Representative Notification System.

Notification type		Corresponding Guidelines on Fees Computation (Paragraph no.)
a	Appointment of an appointed representative	6.1 & 6.2
b	Addition of regulated activity(ies) and/or to provide additional type(s) of financial advisory service or investment product	6.3
c	Appointment of a provisional representative	6.4
d	Completion of examination requirement by a provisional representative	6.4
e	Appointment of a temporary representative (under the SFA only)	6.5
f	Change of particulars for a representative	6.6
g	Cessation of a representative in any or all of the regulated activities/ financial advisory services	6.7

5.3 Based on the notification, the Authority will send an acknowledgement email to the principal of the representative and advise on the amount of lodgment fee, and applicable annual fee payable via a Fee Advice. The annual fee is non-refundable.

5.4 Fees are payable by a representative through his principal. The principal should have an existing GIRO arrangement with the Authority for the payment of lodgment and annual fees. The lodgment and annual fees will be deducted via GIRO from the bank account of the principal. Please refer to **Appendix 3** for the applicable lodgment and annual fees in respect of the various types of representative notifications.

³ Appointment of a temporary representative is only applicable under the SFA.

5.5 To streamline the fee collection process, the Authority will collect annual fees for appointed representatives in December of each year in advance for the following year. For payment of annual fees via GIRO, the principal concerned should ensure sufficient funds in its bank account for the GIRO deduction on the deduction date as stated on the Fee Advice. In the event of a failure to make payment, the Authority may, pursuant to regulation 6(3) of the SFR and regulation 6(3) of the FAR, impose on the representative a late payment fee of \$100 for every day or part thereof that the payment is late, subject to a maximum of \$3,000.

6 Fee computations for Representatives

6.1 Lodgment and annual fees of appointed representatives

6.1.1 A lodgment fee is payable for the notification of intent to appoint a representative. The lodgment fee for each representative is payable only once by the representative, through his principal, as long as the appointed representative does not cease to act for the same principal.

6.1.2 An appointed representative will pay a single annual fee, regardless of the number of different activities he conducts or services he provides under the same principal. The annual fee payable is set at the highest applicable fee for the range of regulated activities to be conducted or services to be provided.

6.1.3 If an appointed representative acts for two related principals, lodgment and annual fees are payable for his appointment under each principal.

6.1.4 The Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations as well as the Second Schedule to the Financial Advisers Regulations set out the fees for the lodgment and annual fees relevant to the appointment of an appointed representative. Such fees have been set out in **Appendix 3** for ease of reference.

Example 4

An appointed representative conducts the following regulated activities:

1. deals in securities (where his principal company is a member of SGX-ST); and
2. trades in futures contracts;

According to Appendix 3,

Lodgment fee payable = \$100

Annual fee payable = the higher of \$700 and \$200 = \$700

Example 5

An appointed representative conducts the following regulated activities:

1. marketing of collective investment schemes; and
2. arranging of contracts of insurance in respect of life policies, other than a contract of reinsurance.

According to Appendix 3,
Lodgment fee payable = \$100
Annual fee payable = \$100

Example 6

An appointed representative conducts the following regulated activities:

1. deals in securities (where his principal company is a member of SGX-ST);
2. trades in futures contracts;
3. advises on securities; and
4. advises on futures contracts.

According to Appendix 3,
Lodgment fee payable = \$100
Annual fee payable = the higher of \$700, \$200 and \$100 = \$700

Example 7

An appointed representative of related companies, Company A and Company B conducts the following regulated activities:

Under Company A:

1. deals in securities (where his principal company, Company A, is a member of SGX-ST); and
2. trades in futures contracts;

According to Appendix 3,
Lodgment Fee = \$100
Annual Fee = higher of \$700 or \$200 = \$700

Under Company B:

3. advises on securities; and
4. advises on futures contracts.

According to Appendix 3,
Lodgment Fee = \$100
Annual Fee = \$100

According to Appendix 3, the total will be:

Lodgment fee payable = \$100 for Company A + \$100 for Company B = \$200

Annual fee payable = the higher of \$700 and \$200 for Company A + \$100 for Company B = \$800

6.2 Pro-rated annual fee for appointed representatives

6.2.1 For a newly appointed representative, the **annual fee** payable in the first calendar year of his appointment is pro-rated. The amount of the annual fee payable will be computed based on the period from the date the representative's appointment is reflected on the Public Register of Representatives, to 31 December of the same year. Example 8 shows the computation of the first annual fee payable for an appointed representative.

Example 8

An appointed representative conducts the following regulated activities under the SFA and the FAA:

1. deals in securities (where his principal company is a member of SGX-ST);
2. trades in futures contracts;
3. advises on securities; and
4. advises on futures contracts.

The representative's appointment is reflected on the Public Register on 16 August 2011.

Annual fee details – Appointed representative	
Appointment of representative	
Appointment date	16 August 2011
Lodgment fee payable	\$100
Pro-rated fee payable for the first calendar year (for the period 16 August 2011 – 31 December 2011, or for 138 days)	$(138 / 365) * \$700 = \264.66
Annual fee payable for subsequent calendar years	\$700

[Amended on 1 October 2011]

6.3 Addition of regulated activities

6.3.1 No lodgment fee is applicable for notification of intent to add regulated activities under the SFA, and/or to provide additional type(s) of financial advisory service or investment product under the FAA, if the representative remains with the same principal.

6.3.2 For appointed representatives working under the same principal, there may or may not be additional annual fees payable upon the addition of a regulated activity. This depends on whether the current annual fee payable is the highest amount of the applicable annual fees for the regulated activities (including the newly added

regulated activity) conducted by the representative. Example 9 below illustrates a scenario where an additional annual fee is payable. Example 10 illustrates a scenario where no additional annual fee is payable.

Example 9

A representative of an SGX-ST member company is appointed to conduct the following activities:

1. trading in futures contracts; and
2. advising on futures contracts.

The representative’s appointment is reflected on the Public Register of Representatives on 16 August 2011.

The company lodges a notification of intent to add dealing in securities and advising on securities to the representative’s appointment. The new activities are reflected in the Public Register of Representatives on 12 February 2012.

Annual fee details – Appointed representative	
Add new activities: dealing in securities (where the principal is a member of SGX-ST) and advising on securities	
Appointment date	16 August 2011
Date of variation of activities	12 February 2012
Lodgment fee payable	\$0
Current annual fee payable (The higher of \$200 and \$100)	\$200
New annual fee for dealing in securities (where the principal is a member of SGX-ST) and advising on securities = The higher of \$700, \$200 and \$100	\$700
Increment in annual fee for new activities = Annual fee for new activities - Annual fee for current activities = \$700 - \$200	\$500
Pro-rated additional annual fee payable for remaining calendar year (for the period 12 February 2012 to 31 December 2012, or for 323 days)	$(323 / 365) * \$500 = \442.47
Annual fee payable for subsequent calendar years	\$700

[Amended on 1 October 2011]

Example 10

A representative of an SGX-ST member company is appointed to conduct the following activities:

1. dealing in securities; and
2. advising on securities.

The representative’s appointment is reflected on the Public Register of Representatives on 16 August 2011.

The company lodges a notification of intent to add trading in futures contracts and advising on futures contracts to the representative's appointment. The new activities are reflected in the Public Register of Representatives on 12 February 2012.

Annual fee details – Appointed representative	
Add new activities: trading in futures contracts and advising on futures contracts	
Appointment date	16 August 2011
Date of variation of activities	12 February 2012
Lodgment fee payable	\$0
Current annual fee payable	\$700
New annual fee after addition of activities in trading futures contracts and advising on futures contracts = The higher of \$700, \$200 and \$100	\$700
Increment in annual fee for new activities = Annual fee for new activities – Annual fee for current activities = \$700 - \$700	\$0
Pro-rated additional annual fee payable for remaining calendar year (for the period 12 February 2011 to 31 December 2011, or for 323 days)	\$0
Annual fee payable for subsequent calendar years	\$700

6.4 Lodgment and annual fees of provisional representatives

6.4.1 A lodgment fee is payable for the notification to appoint a provisional representative.

6.4.2 The provisional representative will be subject to an annual fee as if he was an appointed representative. The amount of annual fees payable will be computed based on the period from the date the representative's appointment as reflected on the Public Register of Representatives, to 31 December of the same year.

6.4.3 Upon the provisional representative's fulfilment of the examination requirements⁴ within the stipulated grace period, the principal of a provisional representative is required to lodge a notification for the completion of examination requirement to convert the provisional representative status to an appointed representative (the "conversion lodgment"). There is no fee for the conversion lodgment.

6.4.4 If a conversion lodgment is not received before the end of the stipulated grace period, the Authority will consider that the individual has ceased to act as a provisional representative. The annual fees paid are not refundable. An individual may only be appointed as a provisional representative once under the SFA and FAA even if he subsequently changes principal.

⁴ Notice on Minimum Entry and Examination Requirements for Representatives of Holders of Capital Markets Services Licence and Exempt Financial Institutions [Notice No: SFA 04-N06].

Example 11

A company appoints Provisional Representative 1 to conduct the following activities:

1. fund management; and
2. marketing collective investment schemes.

The representative's appointment is reflected on the Public Register of Representatives on 3 March 2011.

Annual fee details – Provisional representative	
Appointment date	3 March 2011
Lodgment fee payable	\$100
Pro-rated fee payable for the first calendar year (for the period 3 March 2011 – 31 December 2011, or for 304 days)	$(304 / 365) * \$200 = \166.58

[Amended on 1 October 2011]

Example 12 (a) - Successful Conversion to Appointed Representative

The company lodges a notification for the completion of examination requirements by Provisional Representative 1 to convert the provisional representative status to an appointed representative on 30 May 2011.

Annual fee details – Provisional representative	
Appointment date	3 March 2011
Conversion lodgment date (assume within stipulated grace period)	30 May 2011
Lodgment fee payable	\$0
Pro-rated fee payable for the first calendar year	\$0
Annual fee payable for subsequent calendar years	\$200

Example 12 (b) - Unsuccessful Conversion to Appointed Representative

The company of Provisional Representative 1 did not lodge a notification for the completion of examination requirement by Provisional Representative 1 for the provisional representative by the end of the stipulated grace period. However, the company decides to re-appoint Representative 1 as an appointed representative on 9 September 2011.

Annual fee details – Provisional representative	
Appointment date	3 March 2011
Ceased as provisional representative at the end of stipulated grace period as no notification for the completion of examination requirement was lodged.	
Appointment date	9 September 2011
Lodgment fee payable	\$100
Pro-rated fee payable for the first calendar year (for the period 9 September 2011 – 31 December 2011, or for 114 days)	$(114/365) * \$200 = \62.47
Annual fee payable for subsequent calendar years	\$200

[Amended on 1 October 2011]

6.5 Lodgment and annual fees for temporary representatives

6.5.1 An individual may be appointed to act as a temporary representative to carry out one or more regulated activities under the SFA.

6.5.2 Each lodgment for the appointment of a temporary representative allows the individual to act for his principal for a period of 3 months. The temporary representative may submit a fresh lodgment for a further 3-month period if more time is required to complete the work assignment. A temporary representative will be allowed to act for his principal for a maximum period of 6 months within a 24-month period.

6.5.3 The lodgment fee for each 3-month appointment of a temporary representative is \$100. In addition to the lodgment fee, a temporary representative fee is payable for each 3-month period. Please refer to **Appendix 3** for the applicable temporary representative fees.

Example 13

A company appoints a temporary representative to conduct corporate finance advisory work in Singapore.

The representative's appointment is reflected on the Public Register on 14 July 2011. He is allowed to act for his principal from 14 July 2011 to 13 October 2011.

The temporary representative intends to conduct regulated activities in Singapore on 15 July 2011, 18 August 2011 and 12 December 2011. As the representative is allowed to act for his principal only until 13 October 2011, a new lodgment must be submitted by the company for the representative to conduct regulated activities on 12 December 2011.

The company submits a second lodgment to the Authority on 5 December 2011 for the appointment of Temporary Representative. The representative's appointment is updated on the Public Register on 12 December 2011.

Fee details – Temporary representative	
First Appointment Date	14 July 2011
Valid Period	14 July to 13 October 2011
Lodgment fee payable	\$100
Fee payable by temporary representative	\$200
Second Appointment Date	12 December 2011
Valid Period	12 December 2011 to 11 March 2012
Lodgment fee payable	\$100
Fee payable by temporary representative	\$200

6.6 Change of particulars by representatives

6.6.1 No lodgment fee is payable for the notification of a change in particulars of an appointed, provisional or temporary representative.

6.7 Cessation of activities by representatives

6.7.1 No lodgment fee is payable when the principal of an appointed, provisional or temporary representative submits a notification to cease part or all of the representative's regulated activities/ financial advisory services.

6.7.2 Annual fees which have already been paid for the calendar year are non-refundable. The subsequent annual fee payable will be computed based on the highest amount of annual fees among all the remaining regulated activities (excluding the ceased regulated activity or financial advisory services).

Example 14

A representative of an SGX-ST member company is appointed to conduct the following activities:

1. dealing in securities; and
2. advising on securities.

The representative's appointment is reflected on the Public Register on 22 June 2011.

The representative ceases to conduct dealing in securities on 2 January 2012.

Annual fee details – Appointed representative	
Activity ceased: dealing in securities	
Appointment date	22 June 2011
Date of cessation of activity	2 January 2012
Lodgment fee payable	\$0
Current annual fee paid (1 January 2012 to 31 Dec 2012)	\$700
Subsequent annual fee payable (1 January 2013 to 31 December 2013)	\$100

6.8 Lodgment and annual fees for change of principal

6.8.1 Where an appointed representative moves from principal A to principal B, principal A should submit a notification for the cessation of activities by the representative. Principal B should submit a new notification of intent to appoint the representative. A lodgment fee will be payable for the appointment of the representative by Principal B.

6.8.2 Additional annual fees are payable if the appointed representative's new annual fee at his new principal is higher than the annual fee at the previous principal. Example 15 illustrates a scenario where additional annual fee is payable. Example 16 illustrates a scenario where no additional annual fee is payable.

6.8.3 The full annual fees are payable if the appointed representative only joins his new principal in the next calendar year. Example 17 illustrates such a scenario.

Example 15

Company D appoints a representative to conduct the following activities:

1. fund management; and
2. marketing collective investment schemes.

The representative's appointment is reflected on the Public Register of Representatives on 15 September 2011.

The representative leaves Company D on 1 December 2011. Company A (which is an SGX-ST company) appoints the same representative to conduct the following activities:

1. dealing in securities; and
2. advising on securities.

The representative's appointment is reflected on the Public Register of Representatives on 2 December 2011.

Annual fee details – Appointed representative	
- Change of principal	
Appointment date with Company D	15 September 2011
Lodgment fee payable by Company D	\$100
Pro-rated fee for the first calendar year (for the period 15 Sep 2011 – 31 Dec 2011, or for 108 days)	$(108 / 365) * \$200 = \59.18
Subsequent annual fee payable	\$200
Join a new principal – appointment date with Company A	2 December 2011
Lodgment fee payable by Company A	\$100
New annual fee for dealing in securities and advising on securities = the higher of \$700 and \$200	\$700
Fee credit brought forward from Company D (for the period 1 Dec 2011 – 31 Dec 2011, or for 31 days)	$(31/365) * \$200 = \16.99
Pro-rated annual fee at new principal for the first calendar year (for the period 2 December 2011 to 31 December 2011, or for 30 days)	$(30 / 365) * \$700 = \57.53
Annual fee payable by Company A	$\$57.53 - \$16.99 = \$40.54$
Annual fee payable for subsequent calendar years	\$700

[Amended on 1 October 2011]

Example 16

Company D appoints a representative to conduct the following activities:

1. fund management; and
2. marketing collective investment schemes.

The representative's appointment is reflected on the Public Register of Representatives on 15 September 2011.

The representative leaves Company D on 1 December 2011. Company A (which is an SGX-ST company) appoints the representative to conduct the following activities:

1. fund management; and
2. advising on securities.

The representative's appointment is reflected on the Public Register of Representatives on 2 December 2011.

Annual fee details – Appointed representative	
- Change of principal	
Appointment date with Company D	15 September 2011
Lodgment fee payable by Company D	\$100
Pro-rated fee for the first calendar year (for the period 15 Sep 2011 – 31 Dec 2011, or for 108 days)	$(108 / 365) * \$200 = \59.18
Subsequent annual fee payable	\$200
Join a new principal – appointment date with Company A	2 December 2011
Lodgment fee payable by Company A	\$100
New annual fee for dealing in securities and advising on securities = the higher of \$200 and \$200	\$200
Fee credit brought forward from Company D (for the period 1 Dec 2011 – 31 Dec 2011, or for 31 days)	$(31/365) * \$200 = \16.99
Pro-rated annual fee at new principal for the first calendar year (for the period 2 December 2011 to 31 December 2011, or for 30 days)	$(30 / 365) * \$200 = \16.44
Annual fee payable by Company A (\$16.44 - \$16.99 = - \$0.55. No refund will be given if fee credit is higher than pro-rated annual fee.)	\$0
Annual fee payable for subsequent calendar years	\$200

[Amended on 1 October 2011]

Example 17

Company D appoints a representative to conduct the following activities:

1. fund management; and
2. marketing collective investment schemes.

The representative's appointment is reflected on the Public Register of Representatives on 15 September 2011.

The representative leaves Company D on 1 December 2011. Company A (which is an SGX-ST company) appoints the representative to conduct the following activities:

1. fund management; and
2. advising on securities.

The representative's appointment is reflected on the Public Register of Representatives on 28 January 2012.

Annual fee details – Appointed representative	
- Change of principal	
Appointment date with Company D	15 September 2011
Lodgment fee payable by Company D	\$100
Pro-rated fee for the first calendar year (for the period 15 Sep 2011 – 31 Dec 2011, or for 108 days)	$(108 / 365) * \$200 = \59.18
Join a new principal – appointment date with Company A	28 January 2012
Lodgment fee payable	\$100
Pro-rated fee for the first calendar year (for the period 28 Jan 2012 – 31 Dec 2012, or for 338 days)	$(338 / 365) * \$200 = \185.21
Annual fee payable for subsequent calendar years	\$200

[Amended on 1 October 2011]

APPENDIX 1

TYPES OF REGULATED ACTIVITIES

I Regulated Activities under the Securities and Futures Act

- (a) dealing in securities;
- (b) trading in futures contracts;
- (c) leveraged foreign exchange trading;
- (d) advising on corporate finance;
- (e) fund management;
- (f) real estate investment trust management;
- (g) securities financing; and
- (h) providing custodial services for securities; and
- (i) providing credit rating services.

[Amended on 17 January 2012]

II Financial Advisory Services under the Financial Advisers Act

(a) advising others, either directly or through publications or writings, and whether in electronic, print or other form, concerning the following investment products:

- (i) securities (other than collective investment schemes);
- (ii) collective investment schemes;
- (iii) futures contracts;
- (iv) contracts or arrangements for the purposes of foreign exchange trading;
- (v) contracts or arrangements for the purposes of leveraged foreign exchange trading;
- (vi) life policies (other than a contract of reinsurance);
- (vii) structured deposits as defined in the Financial Advisers (Structured Deposits – Prescribed Investment Product and Exemption) Regulations 2004; and
- (viii) other investment products as may be prescribed by the Authority, other than –
 - (A) in the manner specified in paragraph II (b) of this Appendix; or
 - (B) advising on corporate finance within the meaning of the Securities and Futures Act (Cap. 289);

(b) advising others by issuing or promulgating research analyses or research reports, whether in electronic, print or other form, concerning the following investment products:

- (i) securities (other than collective investment schemes);
- (ii) collective investment schemes;
- (iii) futures contracts;

- (iv) contracts or arrangements for the purposes of foreign exchange trading;
 - (v) contracts or arrangements for the purposes of leveraged foreign exchange trading;
 - (vi) life policies (other than a contract of reinsurance);
 - (vii) structured deposits as defined in the Financial Advisers (Structured Deposits – Prescribed Investment Product and Exemption) Regulations 2004; and
 - (viii) other investment products as may be prescribed by the Authority;
- (c) marketing of collective investment schemes; and
- (d) arranging of contracts of insurance in respect of life policies, other than a contract of reinsurance.

APPENDIX 2

APPLICATION AND LICENCE FEES

Application Fees for CMS Licence

Form	Purpose	Accompanying Application Fee (S\$)
1	Application for new CMS licence	1,000
5	Application for additional regulated activity under a CMS licence	500

Application Fees for FA licence

Form	Purpose	Accompanying Application Fee (S\$)
1	Application for new FA licence	500
2	Application to provide additional type(s) of financial advisory service or investment product under an existing FA licence	250

Annual Licence Fees for Regulated Activities

Type of Regulated Activity	Annual Fees for Companies (S\$)
Dealing in Securities – Member of SGX-ST	8,000
Dealing in Securities – Non-Member of SGX-ST	4,000
Fund Management	4,000
Real Estate Investment Trust Management	4,000
Advising on Corporate Finance	4,000
Providing Credit Rating Services	4,000
Trading in Futures Contracts	2,000
Leveraged Foreign Exchange Trading	2,000
Securities Financing	2,000
Custodial Services for Securities	2,000
All Financial Advisory Services	2,000

APPENDIX 3

FEES FOR REPRESENTATIVES CONDUCTING REGULATED ACTIVITIES UNDER THE SFA AND/OR THE FAA

Lodgment Fees for Representatives

Purpose	Accompanying Lodgment Fee (S\$)
Appointment of an appointed, temporary or provisional representative to carry out regulated activities under the SFA and/or the FAA	100
Addition of regulated activities under the SFA and / or the FAA	Nil
Conversion of a provisional representative to an appointed representative	Nil
Change of particulars for an appointed, provisional or temporary representative	Nil
Cessation of regulated activities by an appointed, provisional or temporary representative	Nil

Annual Fees for Appointed and Provisional Representatives

Type of Regulated Activity	Annual Fees for Representatives (S\$)
Dealing in Securities – Member of SGX-ST	700
Dealing in Securities – Non-Member of SGX-ST	200
Fund Management	200
REIT Management	200
Advising on Corporate Finance	200
Trading in Futures Contracts	200
Leveraged Foreign Exchange Trading	200
Providing Credit Rating Services	200
All Financial Advisory Services	100

Temporary Representative Fees for Temporary Representatives under the SFA

Type of Regulated Activity	Temporary Representative Fees (S\$)
Dealing in Securities – Member of SGX-ST	700
All other activities	200

No.	Scenario	Relevant Act	Lodgment Fee payable	Annual Fee payable
1	Principal A lodged a notification to appoint a representative under both SFA and FAA at the same time.	SFA	√	√
		FAA	Waived	Waived
2	Principal A lodged a notification to appoint a representative under SFA.	SFA	√	√
	Subsequent to that, Principal A lodged another notification to appoint the representative under FAA within the same calendar year (while the representative remained as a representative with Principal A under SFA).	FAA	Waived <u>Note:</u> The lodgment fee will not be waived if the representative has already ceased as appointed representative under SFA at the point when the notification to appoint him under FAA is lodged.	Waived
3	Principal A lodged a notification to appoint a representative under FAA.	FAA	√	√
	Subsequent to that, Principal A lodged another notification to appoint the representative under SFA within the same calendar year (while the representative remained as a representative with Principal A under FAA).	SFA	Waived <u>Note:</u> The lodgment fee will not be waived if the representative has already ceased as appointed representative under FAA at the point when the notification to appoint him under SFA is lodged.	As annual fees under SFA are higher than that under FAA, the principal needs to top-up the pro-rated difference. For subsequent years, only the annual fee under SFA is payable.

4	Principal A lodged a notification to appoint a representative under SFA or FAA.	SFA or FAA	√	√
	Principal A lodged a notification of cessation of the representative. Subsequently, Principal A lodged a new notification to appoint the same representative again under the same Act within the same calendar year.	SFA or FAA	√	Waived (if annual fee payable for the representative's first appointment is the same as that for his subsequent appointment.) If the annual fee payable for the subsequent appointment is higher than that for the first, Principal A needs to top-up the pro-rated difference.
5	Principal A lodged a notification to appoint a representative under FAA.	FAA	√	√
	The representative resigned from Principal A and joins Principal B. Principal B lodged a new notification to appoint the same representative under SFA within the calendar year of his earlier appointment under FAA.	SFA	√	As annual fees under SFA are higher than that under FAA, the principal needs to top-up the pro-rated difference. For subsequent years, only the annual fee under SFA is payable.

6	Principal A lodged a notification to appoint a representative under SFA.	SFA	√	√
	<p>The representative resigned from Principal A and joins Principal B.</p> <p>Principal B lodged a new notification to appoint the same representative under FAA within the calendar year of his earlier appointment under SFA.</p>	FAA	√	Waived
7	Principal A lodged a notification to appoint a representative under FAA.	FAA	√	√
	<p>The representative resigned from Principal A and joins Principal B.</p> <p>Principal B lodged a new notification to appoint the same representative under FAA within the calendar year of his earlier appointment by Principal A.</p>	FAA	√	Waived

8	Principal A lodged a notification to appoint a representative under SFA.	SFA	√	√
	<p>The representative resigned from Principal A and joins Principal B.</p> <p>Principal B lodged a new notification to appoint the same representative under SFA within the calendar year of his earlier appointment by Principal A.</p>	SFA	√	<p>Waived (if annual fee payable for the regulated activities conducted with Principal A is the same as that with Principal B)</p> <p>If the annual fee payable for the regulated activities conducted with Principal B is higher than that with Principal A, Principal B needs to top-up the pro-rated difference.</p>
9	Principal A lodged a notification to appoint a representative under SFA or FAA.	SFA or FAA	√	√
	Principal B, which is a related corporation of Principal A, lodged another notification to appoint the same representative under SFA or FAA.	SFA or FAA	√	√