

PRACTITIONER'S GUIDE TO THE COLLECTIVE INVESTMENT SCHEMES REGIME UNDER THE SECURITIES AND FUTURES ACT (CAP. 289)

(Last updated on 13 June 2011)

Offers of collective investment schemes, as defined in section 2 of the Securities and Futures Act (Cap. 289) (the SFA), are regulated under Division 2, Part XIII of the SFA.

Type of investors	Schemes constituted in Singapore	Schemes constituted outside Singapore
Offer to retail investors	<p style="text-align: center;"><u>Authorised schemes</u></p> <p>[Use Form 1 in the SFR¹ to apply for authorisation of each scheme]*</p> <p>Manager must hold a Capital Markets Services (CMS) licence for fund management (or be exempted from a CMS licence, or be a public company in certain cases) and be fit and proper.</p> <p>Trustee must be approved to act as trustee for CIS.</p> <p>Trust deed must comply with prescribed requirements in the SFR.</p> <p>Scheme must comply with the Code on Collective Investment Schemes (including any applicable investment guidelines).²</p> <p>A prospectus in compliance with the SFA must be lodged and registered. (Use Form 6 in the SFR to lodge prospectus)</p>	<p style="text-align: center;"><u>Recognised schemes</u></p> <p>[Use Form 2 in the SFR to apply for recognition of each scheme]*</p> <p>Manager must be licensed or regulated in the jurisdiction of its principal place of business and be fit and proper.</p> <p>Laws and practices of the jurisdiction in which the scheme is constituted afford investors in Singapore protection at least equivalent to that provided by the SFA for comparable authorised schemes. The Authority would consider, for example, whether there is a legal requirement for the manager to manage the scheme in the interests of investors, whether there is independent adequate safekeeping of scheme assets, whether there is an independent party (such as an independent trustee in the case of a unit trust, or independent directors in the case of a mutual fund company) which exercises</p>

		<p>oversight over the manager.</p> <p>Recognised schemes are not subject to the investment guidelines set out in the Code of Collective Investment Schemes. However, the Authority would only recognise a foreign scheme if it is subject to investment guidelines in its home jurisdiction which are substantially similar to Singapore's.³</p> <p>There must be a representative for the scheme in Singapore to act as a liaison between investors and the foreign manager. The representative must be an individual, a company incorporated in Singapore, or a foreign company registered in Singapore under the Companies Act. (Note that the representative is required to accept service of process, should the need arise.)</p> <p>A prospectus in compliance with SFA must be lodged and registered. (Use Form 6 in the SFR to lodge prospectus)</p> <p>The foreign prospectus can be used if it (either on its own, or together with a Singapore "wrapper") contains all the information required under the SFA.</p> <p>Manager (together with its related companies) should be managing at least S\$500m of discretionary funds in Singapore.</p>
	<p>¹ In this guide, the SFR refers to the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations 2005</p> <p>² Hedge funds are not subject to any investment guidelines. However, hedge funds which are</p>	<p>³ Hedge funds are not subject to any investment guidelines. The Authority would only recognise a foreign hedge fund offered to retail investors which complies substantially with the Hedge Fund Guidelines in the Code. Furthermore, a recognised hedge fund must comply with the following minimum subscription</p>

	<p><i>authorised schemes offered to retail investors must comply with the Hedge Fund Guidelines in the Code, including the following minimum subscription requirements:</i></p> <ul style="list-style-type: none"> - Single hedge funds: S\$100,000 - Fund-of-Hedge-Funds: S\$20,000 - Capital guaranteed hedge funds: No minimum 	<p><i>requirements:</i></p> <ul style="list-style-type: none"> - Single hedge funds: S\$100,000 - Fund-of-Hedge-Funds: S\$20,000 - Capital guaranteed hedge funds: No minimum
<p>Offer to accredited investors & other relevant persons</p> <p>(as defined in s4A and s305 SFA; Sixth Schedule SFR(as amended))</p>	<p style="text-align: center;"><u>Restricted Singapore schemes</u></p> <p>[Use online Notification Form for Restricted Schemes to lodge notification of offer of each scheme]**</p> <p>Scheme is constituted in Singapore.</p> <p>Manager must be licensed or regulated for fund management in the jurisdiction of its principal place of business (or be a public company that is exempted from the requirement to hold a Capital Markets Services licence for fund management) and be fit and proper.</p> <p>In the case of a scheme constituted as a unit trust, the trustee must be approved to act as trustee for CIS.</p> <p>Not required to comply with any investment guidelines.</p> <p>Unlike offers to retail investors, a prospectus is not required. Neither is there a requirement for any other offering document.</p>	<p style="text-align: center;"><u>Restricted foreign schemes</u></p> <p>[Use online Notification Form for Restricted Schemes to lodge notification of offer of each scheme]**</p> <p>Scheme is constituted outside Singapore.</p> <p>Manager must be licensed or regulated for fund management in the jurisdiction of its principal place of business and be fit and proper.</p> <p>Not required to comply with any investment guidelines.</p> <p>Unlike offers to retail investors, a prospectus is not required. Neither is there a requirement for any other offering document.</p>
	<p><i>Restricted Singapore schemes may only be offered to certain types of investors listed in s305 SFA and to accredited investors whose total net assets or annual income exceed certain amounts (as set</i></p>	<p><i>Restricted foreign schemes may only be offered to certain types of investors listed in s305 SFA and to accredited investors whose total net assets or annual income exceed certain amounts (as set</i></p>

	<p><i>out in s4A SFA) or</i></p> <p><i>at a minimum of S\$200,000 per transaction.</i></p> <p><i>This applies to all restricted authorised schemes, including hedge funds (whether single hedge funds, hedge fund-of-funds or capital protected/guaranteed hedge funds).</i></p>	<p><i>out in s4A SFA) or</i></p> <p><i>at a minimum of S\$200,000 per transaction.</i></p> <p><i>This applies to all restricted recognised schemes, including hedge funds (whether single hedge funds, hedge fund-of-funds or capital protected/guaranteed hedge funds).</i></p>
<p>Offer to institutional investors</p> <p>(as defined in s4A SFA)</p>	<p>CIS offered to the institutional investors as defined in section 4A of the SFA are exempted from all authorisation and prospectus requirements under the SFA.</p> <p>Unlike offers to retail investors, a prospectus is not required. Neither is there a requirement for any other offering document.</p>	<p>CIS offered to the institutional investors as defined in section 4A of the SFA are exempted from all recognition and prospectus requirements under the SFA.</p> <p>Unlike offers to retail investors, a prospectus is not required. Neither is there a requirement for any other offering document.</p>
	<p><i>There is no minimum subscription requirement for all funds, including hedge funds.</i></p>	<p><i>There is no minimum subscription requirement for all funds, including hedge funds.</i></p>

***Applications are to be made by the responsible person of the scheme. In the case of a scheme that is constituted as a corporation, the responsible person of the scheme is the corporation. In other cases, the responsible person of the scheme is the manager for the scheme.**

****Notifications are to be made by the responsible person of the scheme via the online platform, CISNet. In the case of a scheme that is constituted as a corporation, the responsible person of the scheme is the corporation. In other cases, the responsible person of the scheme is the manager for the scheme.**

THE SUMMARY TABLE ABOVE IS INTENDED AS A GUIDE ONLY. OFFERORS SHOULD REFER TO THE SFA AND SFR FOR DETAILS AND SHOULD SEEK LEGAL ADVICE IF THEY ARE UNCLEAR OF APPLICABLE REQUIREMENTS.

