DRAFT SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) (AMENDMENT) REGULATIONS 2005

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SECURITIES AND FUTURES ACT
(CHAPTER 289)

SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) (AMENDMENT) REGULATIONS 2005

In exercise of the powers conferred by sections 240, 240A, 243, 249, 251, 256, 263, 262, 272A, 272B, 277, 280, 318, 337, 339, 341 and 343 of the Securities and Futures Act, the Monetary Authority of Singapore hereby makes the following Regulations:

PART I

PRELIMINARY

Citation
1. These Regulations may be cited as the Securities and Futures (Offers of Investments) (Shares and Debentures) (Amendment) Regulations 2005.

Definitions
2. — (1) In these Regulations, unless the context otherwise requires —

"asset-backed securities" means debentures or units of debentures issued pursuant to a securitisation transaction;

"debenture issuance programme" means any scheme or arrangement by a corporation for the issue of debentures or units of debentures where only part of the maximum amount or aggregate number of debentures or units of debentures under the programme is offered initially and a further tranche or tranches may be offered subsequently;

"securitisation transaction" means an arrangement that involves the transfer or assignment of assets to a special purpose vehicle where —

(a) such transfer is funded by the issuance of debentures or units of debentures not being debentures or units of debentures that are directly-secured, in whole or in part, by fixed assets; and
(b) payments in respect of such debentures or units of debentures are principally derived, directly or indirectly, from the cash flows generated by the assets;

"SPV" means the corporation used as a special purpose vehicle to which assets are transferred or assigned under a securitisation transaction.

(1) Explanatory Note: The definitions relating to asset-backed securities and debenture issuance programmes have been deleted following the introduction of a definition for “debenture issuance programme” under section 239(1) in the SF(A) Bill and the introduction of a new section 262 in the SF(A) Bill to cater for offers of asset-backed securities.

(1) In regulations 7 and 23(3), the Fourth, the Fourteenth and the Fifteenth Schedules, unless the context otherwise requires —

“specified financial institution” means —

(a) any bank licensed under the Banking Act (Cap. 19); or

(b) any entity or any entity of a class specified by the Authority, by notification published in the Gazette, to be an entity or an entity of a class for the purposes of issuing structured notes;

“single purpose vehicle” means an entity that is established solely in order to, or a trust that is established solely in order for its trustee to, do either or both of the following:

(a) act as counterparty to arrangements which involve the use of derivatives to create exposure to assets from which payments to holders of any structured notes are or will be primarily derived;

(b) issue any structured notes;

“structured notes” means debentures or units of debentures —

(a) issued pursuant to a synthetic securitisation transaction; or

(b) issued by a specified financial institution,

where repayment of the principal sum in respect of such debentures or units of debentures are or will be calculated by reference to a formula based on one or more of the following —
(i) the performance of any securities, equity interest or index, or a basket consisting of any securities, equity interests or indices;

(ii) the credit risk, or performance, of any entity or a basket of entities;

(iii) the movement of interest rates or currency exchange rates;

“synthetic securitisation transaction” means an arrangement involving the use of derivatives to create exposure to assets that are not transferred to or are otherwise a part of an asset pool held by a single purpose vehicle.

(2) For the purposes of the definition of “specified financial institution” in paragraph (1), the Authority may, by notice in writing —

(a) impose such conditions or restrictions on a specified financial institution in relation to the issue of structured notes by the specified financial institution, as it thinks fit; and

(b) at any time vary or revoke any condition or restriction so imposed,

and the specified financial institution shall comply with every such condition or restriction imposed on it by the Authority that has not been revoked by the Authority.

(3) Any specified financial institution which contravenes any condition or restriction imposed under paragraph (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 and, in the case of a continuing offence, to a further fine not exceeding $5,000 for every day or part thereof during which the offence continues after conviction.

(2) Explanatory Note: In view of the unique characteristics of structured products, MAS notes that the existing rules for offers of debentures are inadequate and proposes to introduce new rules to cater to offers of structured products. In this connection, MAS proposes to insert new definitions for “structured notes”, “single purpose vehicle”, “specified financial institution” and “synthetic securitisation transaction”.

MAS seeks your views on the proposed definitions.

(2) Any reference in these Regulations to the issuer of shares or debentures or units of shares or debentures is a reference to—
(a) in the case of shares or units of shares, a corporation which issues or proposes to issue those shares or units of shares; or

(b) in the case of debentures or units of debentures, a corporation or any other entity which issues or proposes to issue those debentures or units of debentures.

(3) **Explanatory Note:** Regulation 2(2) has been deleted following the introduction of a definition for “issuer” under section 239(1) in the SF(A) Bill.

(3) Any reference in these Regulations to an offer of shares, debentures or units of shares or debentures means an offer of shares in, debentures of, or units of shares in or debentures of a corporation for subscription or purchase, and includes an invitation to subscribe for or purchase those shares, debentures or units of shares or debentures.

(4) **Explanatory Note:** Regulation 2(3) has been deleted as a consequence to the amendments made to section 239(6) in the SF(A) Bill.

(4) Any word or expression used in these Regulations which is defined in section 239 of the Act shall have the same meaning as in that section.

(5) Any word or expression used in the Fifth to Twelfth/Fifteenth Schedules shall, unless the context otherwise requires, be interpreted in accordance with this regulation and the Fourth Schedule.

**Forms**

3.—(1) Where any provision of Division 1 of Part XIII of the Act or these Regulations provides for the lodgment of a document with the Authority, that document shall be lodged with the Authority—

(a) in the relevant form in the First Schedule; or

(b) where there is no relevant form in that Schedule for that document, together with Form 1 in that Schedule.
(1) The forms to be used for the purposes of these Regulations are those set out at [address of website to be confirmed], and any reference in these Regulations to a numbered form shall be construed as a reference to the current version of the form bearing the corresponding number in that website.

(2) The lodging of any document with the Authority as required under any provision of the Act or these Regulations shall be lodged using Form 1.

(5) Explanatory Note: For ease of administration, MAS will be migrating all forms relating to the SFA from the regulations to the MAS website. The amendments made to regulation 3 are for this purpose.

(23) All forms used for the purposes of these Regulations shall be completed in the English language and in accordance with such directions as may be specified in the form or by the Authority.

(34) The Authority may refuse to accept any form if it is not completed in accordance with this regulation or if it is not accompanied by the relevant fee referred to in regulation 5.

4. [Deleted by S 542/2003]

Fees

5. The fees specified in the Second Schedule shall be payable to the Authority for the purposes specified therein, and shall not be refundable.

PART II

PROSPECTUS REQUIREMENTS

Information that may be omitted from preliminary document

6. For the purposes of section 240-(3) of the Act, the information set out in the Third Schedule may be omitted from a preliminary document under the circumstances specified, if any, in relation to that information in that Schedule.
Debenture issuance programme

7. For the purposes of section 240A(8) of the Act, the following is hereby prescribed:

(a) for the purposes of the application of the provisions of Subdivision (2) of Division 1 of Part XIII of the Act to an offer of debentures or units of debentures that is part of a debenture issuance programme –

(i) a reference to a prospectus shall be read as a reference to the base prospectus, to the pricing statement in relation to the offer, or to both the base prospectus and the pricing statement in relation to the offer, in accordance with Table 1 in the [First Schedule]; and

(ii) a reference to a profile statement shall be read as a reference to the base profile statement or both the base profile statement and the pricing statement in relation to the offer, in accordance with Table 2 in the [First Schedule];

(b) for the purposes of the application of section 240(2), 240(3), 240(9), 251(1), 251(2), 251(3) and 251(4) of the Act to an offer of debentures or units of debentures that is part of a debenture issuance programme, a reference to a preliminary document shall be read as a reference to –

(i) the preliminary base prospectus;

(ii) the preliminary base prospectus and the preliminary pricing statement in relation to the offer; or

(iii) the base prospectus and the preliminary pricing statement in relation to the offer,

as the case may be.

(6) Explanatory Note: For an offer of debentures or units of debentures made under a debenture issuance programme in respect of which both a base prospectus and a pricing statement are required to be issued, MAS recognises that it will not be practicable or feasible to prescribe in definitive terms how a reference to “prospectus” in the provisions under Sub-division (2) of Division 1 of Part XIII of the SFA is to be read (i.e. whether it should be read as a reference to the base prospectus or a reference to the pricing statement).
This is because, depending on facts and circumstances of the case, it may be necessary to read the reference to “prospectus” in the relevant provisions as a reference to the base prospectus, the pricing statement, or both.

Similarly, it will not be practicable to prescribe in certain terms how a reference to “preliminary document” is to be read in the context of an offer made under a debenture issuance programme.

As the reading of any reference to “prospectus”, “profile statement” and “preliminary document” in the relevant provisions would need to have regard to facts of the particular case, MAS proposes to set out possible references in respect of each reference to “prospectus”, “profile statement” and “preliminary document”, instead of prescribing definitive references. This is reflected in the proposed regulation 7.

MAS notes that this may lead to possible ambiguities in the interpretation of the provisions under Sub-division (2) of Division 1. However, MAS is of the view that this should not pose significant difficulties for offerors because the applicable documents will be apparent in most (if not, all) cases.

**MAS seeks your views on the proposed approach and welcomes any alternative suggestions which could help improve the clarity of the application of provisions under Sub-division (2) of Division 1 in the context of a debenture issuance programme.**

**Contents of prospectus**

**78.**—(1) For the purposes of section 243-(1) of the Act, a prospectus in respect of shares or units of shares in a corporation shall contain —

(a) in a case where an application has been or will be made to a securities exchange to list for quotation or quote those shares or units of shares on the securities exchange, the particulars set out in the Fifth Schedule; or

(b) in any other case, the particulars set out in the Sixth Schedule.

(2) For the purposes of section 243–(1) of the Act, a prospectus in respect of debentures or units of debentures of a corporation an entity, other than one in relation to a debenture issuance programme, shall contain —
(a) in a case where an application has been or will be made to a securities exchange to list for quotation or quote those debentures or units of debentures on the securities exchange, the particulars set out in the Seventh Schedule; or

(b) in any other case, where an application has not been or will not be made to a securities exchange to list for quotation or quote those debentures or units of debentures on the securities exchange, the particulars set out in the Eighth Schedule,

except—

(i) in a case where the debentures or units of debentures are asset-backed securities, the prospectus shall contain the particulars set out in the [Twelfth Schedule]; and

(ii) in a case where the debentures or units of debentures are structured notes, the prospectus shall contain the particulars set out in the [Fourteenth Schedule].

(7) Explanatory Note: Given the relatively complex nature of asset-backed securities and structured notes, investors in such debentures are likely to have different informational needs from those investing in normal debentures. In this regard, MAS proposes to introduce new prospectus disclosure requirements for offers of asset-backed securities and structured notes, which are set out in the Twelfth Schedule and Fourteenth Schedule respectively.

(3) A prospectus for every offer of debentures or units of debentures that is part of a debenture issuance programme shall comprise—

   (a) a base prospectus applicable to every offer under the debenture issuance programme; and

   (b) a pricing statement applicable to that particular offer.

(43) For the purposes of sections 240(1)(b) and 243(1) of the Act, a prospectus for every offer of debentures or units of debentures that is part of a debenture issuance programme shall —

   (a) in a case where an application has been or will be made to a securities exchange to list for quotation or quote the debentures or units of
debentures on the securities exchange, comply with the requirements specified in the [Ninth Schedule]; or

(b) in any other case, where an application has not been or will not be made to a securities exchange to list for quotation or quote the debentures or units of debentures on the securities exchange, comply with the requirements specified in the [Tenth Schedule].

except—

(i) in a case where the debentures or units of debentures are asset-backed securities, comply with the requirements specified in the [Thirteenth Schedule]; and

(ii) in a case where the debentures or units of debentures are structured notes, comply with the requirements specified in the [Fifteenth Schedule].

(8) **Explanatory Note:** MAS proposes to introduce new prospectus disclosure requirements to cater to offers of asset-backed securities and structured notes made under a programme. These new disclosure requirements are set out in the Thirteenth Schedule and Fifteenth Schedule respectively.

(5) The Authority exempts a prospectus referred to in paragraph (3) from section 240 (1) (a) (ii) and (iii) of the Act insofar as these require a prospectus to be lodged with and registered by the Authority as a single document and, for the avoidance of doubt—

(a) the base prospectus and pricing statement referred to in paragraph (3) (a) and (b) may be lodged with and registered by the Authority on separate dates;

(b) where the base prospectus has been registered by the Authority, it need not be lodged with and registered by the Authority again in respect of every offer under the debenture issuance programme; and

(c) subject to paragraph (6), references to “prospectus” in sections 240 (8), (10)(a), (11), (12), (13), (15), (16), (18) and (19), 241, 249 and 250 of the Act shall be read as references to either the base prospectus or the pricing statement, as the case may be.
(6) The Authority exempts from section 240 (8) of the Act the pricing statement of a prospectus in relation to any debenture issuance programme referred to in paragraph (3)(b).

(7) For the avoidance of doubt, the pricing statement may be registered at any time by the Authority after its lodgment with the Authority.

(9) **Explanatory Note:** Existing regulations 7(5) to 7(7) have been deleted following the introduction of a new section 240(1A) in the SF(A) Bill to cater to debenture issuance programmes and the introduction of provisions in new regulation 7 above.

**Offer of asset-backed securities**

8. An offer to the public of asset-backed securities shall be made only by an SPV which does not engage in activities other than those that are for the purpose of or incidental to the offer or the securitisation transaction in relation to which the offer is made.

(10) **Explanatory Note:** Regulation 8 has been deleted following the introduction of a new section 262 in the SF(A) Bill to cater to offers of asset-backed securities.

**Supplementary document and replacement document**

9. The copy of a supplementary document or replacement document to be lodged with the Authority under section 241 of the Act shall be signed by—

   (a) every director of the corporation to which it relates; and

   (b) every person who is named therein as a proposed director of the corporation,

or by a person authorised in writing by the director or proposed director.
Offer information statement

10. (1) For the purposes of section 256 (2) of the Act, an offer information statement under that section shall contain the particulars set out in the Eleventh Schedule.

(2) The copy of an offer information statement to be lodged with the Authority under section 256 (2) of the Act shall be signed by—

(a) every director of the company to which it relates; and

(b) every person who is named therein as a proposed director of the company,
or by a person authorised in writing by the director or proposed director.

(11) Explanatory Note: Regulation 10 has been moved to proposed regulation 22 below.

General requirements for documents lodged with Authority

11. —(1) Except as otherwise provided in the Act or these Regulations, a document to be lodged with the Authority under Division 1 of Part XIII of the Act or these Regulations in paper form shall be in electronic form which comply with the following requirements:

(a) the document shall be in the portable document format (PDF), the tagged image file format (TIFF), or such other format as the Authority may allow, from time to time; and

(b) the document shall be contained in a CD-ROM, floppy diskette or any other electronic medium as the Authority may allow, from time to time, and the electronic medium shall be labelled with the name of the person making the offer, the issuer, the type of document contained therein and the date of lodgment of the document with the Authority;

(1A) Where a document is lodged with the Authority in electronic form in accordance with paragraph (1), an electronic image of—

(a) the signatures on, or accompanying, the document lodged with the Authority;
(b) the relevant duly signed form in respect of together with the document that is lodged; and

(c) any other duly signed statement or letter required under the Act or these Regulations,

shall be lodged with, or submitted to, the Authority in accordance with paragraph (1) at the time the document is lodged.

on paper that is 297 millimetres in length and 210 millimetres in breadth (A4 paper size);

(b) the contents of the document shall be legible; and

(c) except with the consent of the Authority, the document shall not be a carbon copy or a photocopy.

(12) **Explanatory Note:** Currently, all offer documents are required to be lodged with MAS in paper form. An electronic copy of the document is also required to be submitted together with the document lodged in paper form. However, the electronic copy is required mainly for the purposes of publishing the document on the MAS website (OPERA) and is not the officially lodged document. To reduce administrative and storage costs, MAS proposes to require all offer documents to be lodged in electronic form (e.g. in PDF or TIFF format) instead. Accordingly, the document lodged in electronic form (and not the hard copy) will be regarded as the officially lodged document.

The liability attached to persons in respect of an offer document lodged in electronic form, and whose signatures are submitted to MAS as an electronic image, shall be no different from that attached to the persons in respect of a document lodged in paper form and whose signatures are submitted to MAS in paper form currently.

Similarly, MAS proposes to require all signatures, forms and signed statements/letters accompanying the offer documents to be scanned as electronic images and submitted to MAS in electronic form.
MAS seeks your views on the proposal to require offer documents, signatures, forms and signed statements/letters to be lodged or submitted in electronic form (instead of paper form).

(2) The fee payable to the Authority in respect of the lodgment of a document with the Authority shall be paid at the time the document is lodged.

(3) Paragraph (1) shall not apply where a document is lodged with the Authority electronically or using means other than delivery by hand or post, but—

(a) the corporation shall maintain the original document at its registered office; and

(b) the document shall be accompanied by a signed statement of a director of the corporation verifying that the document is a true copy of the original document maintained by the corporation.

(13) Explanatory Note: Regulation 11(3) has been deleted to avoid any possible confusion between the lodgment of documents in electronic form and the electronic lodgment of documents. MAS is still studying the feasibility of electronic lodgments. For the moment, all lodgments of offer documents (including those in electronic form) will need to be made in person.

Form or medium of document

12. —(1) A person who lodges any of the following documents with the Authority in paper—electronic form as specified in regulation 11 shall also provide an electronic copy of that document (excluding any annex required under regulation 15) in paper form to the Authority:

(a) a prospectus, including any document deemed to be a prospectus under section 257 of the Act;

(b) a profile statement;

(c) a supplementary document;

(d) a replacement document;
(e) an information memorandum under section 275 of the Act; and

(f) an offer information statement under section 256 or 277 of the Act.

(2) An electronic copy of the any document in paper form required under paragraph (1) shall be—

(a) in the portable document format (PDF); and (b) shall be accompanied by an electronic image of a signed statement of—

(i) in a case where the person making the offer is an individual, the person making the offer or a person authorised in writing by him;

(ii) in a case where the person making the offer is an entity, a director or equivalent person of the entity or a person authorised in writing by the director or equivalent person; or

(iii) in a case where the person making the offer is the government of a State, an official of the government of the State who is authorised to sign the statement on its behalf.

verifying that the copy of the document in paper form is a true copy of the document lodged with the Authority in electronic form, and such statement shall be submitted to the Authority in accordance with regulation 11(1); and

(b) shall comply with the following requirements:

(i) the copy of the document shall be on paper that is 297 millimetres in length and 210 millimetres in breadth (A4 paper size); and

(ii) the contents of the copy of the document shall be legible.

(14) Explanatory Note: To facilitate MAS’ review of the lodged document, MAS proposes to require that a hard copy of the document be submitted together with the document officially lodged in electronic form. Amendments made to regulation 12 are for the purposes of reflecting this proposal.

Verification of expert’s consent

13. For the purposes of section 240 (13) (e) of the Act, a copy of any consent lodged with the Authority, being consent required by section 249 of the Act to the
issue of a prospectus, shall be accompanied by a signed statement of the person who lodged the copy, verifying that he has compared the copy with the original consent and is satisfied that it is a true copy of the original consent.

(15) **Explanatory Note:** MAS proposes to require signed letters of consents from experts, issue managers and underwriters to be scanned as electronic images and lodged with MAS in electronic form. Such consents lodged in electronic form shall accordingly be regarded as the original consents. There is therefore no need to require any verification and regulation 13 has been deleted.

As in the case of offer documents, the liability attached to persons who signed the consent letters submitted to MAS in electronic form shall be no different from that attached to the persons who signed the consent letters submitted to MAS in paper form currently. In this connection, MAS wishes to clarify that consent letters may also be lodged by the relevant expert, issue manager or underwriter himself.

MAS seeks your views on the proposal to require signed letters of consents from experts, issue managers and underwriters to be scanned as electronic images and lodged in electronic form.

**Signature on documents lodged with Authority**

14. — (1) Except as otherwise provided in the Act or these Regulations (including the forms in the First Schedule), a document relating to a corporation lodged with the Authority under Division 1 of Part XIII of the Act or these Regulations shall be signed or authenticated by a director, the secretary or the manager of the corporation; a person authorised in writing by the corporation; or in the case of a document relating to a foreign company, the agent of the foreign company in Singapore.

(2) In paragraph (1)—

"agent" has the same meaning as in section 366 (1) of the Companies Act (Cap. 50);

"manager" has the same meaning as in section 4 (1) of the Companies Act.
Explanatory Note: Following the removal of the requirement to lodge information memoranda with MAS in the SF(A) Act 2003, there is no longer any document whose signatories are not specifically provided for in the Act or these Regulations. Regulation 14 is therefore unnecessary and has been deleted accordingly.

Authorisation to be lodged/Submitted

15. Where a copy of any document lodged with the Authority under Division 1 of Part XIII of the Act or any statement submitted under regulation (12)(2)(a) or regulation 24(2) is signed -

(a) in a case where the person making the offer is an individual, by a person authorised in writing by the individual;

(b) in a case where the person making the offer is an entity, by a person authorised in writing by a director or equivalent person, or proposed director or equivalent person, of the entity; or

(c) in a case where the person making the offer is the government of a State, by an official of the government of the State who is authorised to sign the statement on its behalf,

an electronic image of the authorisation or a copy of the authorisation, accompanied by a statement of the person who lodged the copy verifying that he has compared the copy with the original authorisation and is satisfied that it is a true copy of the original authorisation, shall be annexed to the copy of the submitted to the Authority in accordance with regulation 11(1), together with the document lodged with the Authority.

Explanatory Note: In the case where a document or statement required under the Act or these Regulations is signed by a person authorised in writing, MAS proposes to require the relevant authorisation to be submitted in electronic form (instead of paper form) together with the document lodged. Amendments made to regulation 15 are for the purposes of implementing this proposal.
MAS seeks your comments on the proposal to require any authorisation to be submitted in electronic form (instead of paper form).

Making false statement an offence

16. Any person who makes a statement verifying any matter under this Part which he knows or has reason to believe is false or does not believe to be true shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $25,000.

Report about securities published and delivered to institutional investors

16A. For the purposes of section 251(9)(g)(iii) and (iv) of the Act, the person issuing a report referred to in that section –

(a) shall assign a specific number to each copy of the report;

(b) shall keep a record of the person to whom he has distributed a copy of the report and the corresponding number of that copy of the report referred to in sub-paragraph (a);

(c) shall include on the front cover of each copy of the report –

(i) the specific number assigned to that copy of the report referred to in sub-paragraph (a);

(ii) a statement that the report is for circulation to institutional investors only; and

(iii) a statement that the information contained in the report should not be disclosed by the recipient to any person;

(d) shall disclose in the report the nature of any interest in, or any interest in the issue or sale of, the securities that are the subject of the report that he has as at the date of the report, and the relationship between him and the person making the offer of the securities; and

(e) shall not distribute any copy of the report or disclose any information contained in the report to any person other than an institutional investor.
Explanatory Note: Following amendments made to section 251(9) in the SF(A) Bill, pre-deal research reports may be issued to institutional investors in the case where the offer is made concurrently in Singapore and one or more other jurisdictions where pre-deal research reports are permitted. To reduce the risk of any information in the pre-deal research reports leaking to the retail public, MAS proposes to impose the safeguards set out in the new regulation 16A.

Advertisements shall not be false or misleading

16B.—(1) An advertisement or a publication shall not contain any information that is false or misleading, or that cannot be justified on the facts known to the person responsible for the advertisement or publication, at the time the advertisement or publication is published.

(2) Any person who contravenes paragraph (1), or who knowingly authorised or permitted the publication or dissemination in contravention of paragraph (1), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding $5,000 for every day or part thereof during which the offence continues after conviction.

Legibility and audibility of advertisements

16C.—(1) Where an advertisement or publication in relation to an offer of securities is in visual form, the statements referred to in section 251(8)(a) and (b) of the Act contained in the advertisement or publication shall be-

(a) clearly legible; and

(b) of a reasonable font size, having regard to the size of the advertisement or publication.

(2) Where an advertisement or publication in relation to an offer of securities is shown or broadcast over the radio, television, cinema or other similar means, the statements referred to in section 251(8)(a) and (b) of the Act shall be read audibly, unless where the advertisement or publication is only in visual form, in which case such statements shall be visually displayed in a legible size for at least 5 seconds.

(3) Any person who contravenes paragraph (1) or (2), or who knowingly authorised or permitted the publication or dissemination in contravention of paragraph (1) or
(2), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $50,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding $5,000 for every day or part thereof during which the offence continues after conviction.

(19) Explanatory Note: To ensure that the relevant information required under section 251(8)(a) and (b) of the Act are properly highlighted to investors in advertisements published in connection with an offer, MAS proposes to require that such information be legibly displayed in the advertisement or be audibly read.

MAS seeks your comments on the proposed advertising requirements.

PART III

DEBENTURES

Application of this Part

17. Except as otherwise provided by the Act or where any provision to the contrary is made in covenants —

(a) applicable to the relevant debentures; or
(b) contained in the trust deed relating to those debentures or in a contract between a trustee and the holders of the debentures secured by the trust deed,

the provisions of this Part shall apply to and in relation to meetings of debenture holders summoned under —

(i) a covenant contained in the debentures or trust deed; or
(ii) [Deleted by S 542/2003]
(iii) a provision referred to in section 271 (2) (b) of the Act.

Quorum of debenture holders

18. —(1) A meeting of debenture holders shall not transact any business unless there are present at least 2 debenture holders.

(2) If within half an hour after the time appointed for the meeting a quorum of debenture holders is not present, the meeting shall stand adjourned to such other day
(not being less than 7 or more than 21 days from the day on which the meeting is adjourned) and at such other time and place as the chairman of the meeting may appoint.

**Adjournment of meeting**

19. The chairman of a meeting of debenture holders shall, if so directed by the meeting, or may, with the consent of the meeting, adjourn the meeting from time to time and from place to place.

**Passing of resolution**

20. A resolution shall be passed at a meeting of debenture holders when a majority in number and value of the debenture holders present have voted in favour of the resolution.

**Casting of vote**

21. In the case of an equality of votes, the chairman of a meeting of debenture holders shall have a casting vote.

**Record of meeting**

22. The chairman of a meeting of debenture holders shall cause —

(a) the minutes of the proceedings at the meeting to be entered in a book kept for the purpose and approve and sign the minutes; and

(b) a list of the names of the debenture holders present at the meeting to be made and kept.

PART IV

EXEMPTIONS

**Exemption from section 249 of Act**

22A. —(1) Subject to paragraph (3), a person who lodges with the Authority a prospectus or profile statement making an offer of securities of an entity which contains a relevant statement shall be exempt from the requirements under section 249(1) of the Act.

(2) Subject to paragraph (3), a person who lodges with the Authority an offer information statement under section 277 of the Act making an offer of securities of
an entity which contains a relevant statement shall be exempt from the requirements under section 249(1) of the Act.

(3) The exemptions under paragraphs (1) and (2) shall be subject to the following conditions:

(a) the relevant statement –
   (i) is not made by the expert in connection with the offer concerned;
   (ii) is not made by the expert for the sole benefit of the entity concerned;
   and
   (iii) does not relate specifically to the affairs of the entity concerned;

(b) the expert is a person whom the directors or equivalent persons of the entity referred to in paragraph (1) or (2), as the case may be, reasonably believe to be one –
   (i) who has no interest in the success of the issue or sale of the securities;
   or
   (ii) who is not acting at the instigation of, or by arrangement with, the entity concerned, a director or equivalent person of the entity concerned, a proposed director or equivalent person of the entity concerned, or a person who has an interest in the success of the issue or sale of the securities;

(c) the relevant statement is a correct and fair copy of, a representation of, or an extract from, a statement made, or information published, by a source which the directors or equivalent persons of the entity concerned reasonably believe to be reliable; and

(d) wherever the relevant statement appears in the prospectus or profile statement referred to in paragraph (1) or the offer information statement referred to in paragraph (2), there shall be included in the prospectus, profile statement or the offer information statement, as the case may be –
   (i) a statement that the expert has not consented to the inclusion of the relevant statement and is thereby not liable for the relevant statement under sections 253 and 254 of the Act;
   (ii) any disclaimer that is made by the expert in relation to the reliance on the contents of the relevant statement of which the directors or equivalent persons of the entity concerned are reasonably aware;
(iii) a statement as to whether the entity concerned has verified the accuracy of the contents of the relevant statement;

(iv) a statement as to whether the entity concerned has included the relevant statement in its proper form and context in the prospectus, profile statement or the offer information statement, as the case may be; and

(v) proper citation identifying the source of the relevant statement and where the relevant statement can be found (including, where relevant, details of the author or editor, title, publication date, revision dates and uniform resource locator with access dates).

(4) In this regulation, “relevant statement” means a statement contained in a prospectus or profile statement, or an offer information statement under section 277 of the Act, purporting to be made by an expert or to be based on a statement made by an expert.

(20) Explanatory Note: Where a statement purporting to be made by an expert or based on a statement made by an expert is contained in a prospectus or an offer information statement, the person who lodges the prospectus or offer information statement will be required to obtain the expert’s consent for the inclusion of the statement in the prospectus or offer information statement.

The reason for requiring the expert’s written consent to be obtained for the inclusion of a statement attributable to him is to ensure that the statement has been included in the prospectus or the offer information statement in its proper form and context and the expert will be assuming liability for the inclusion of such a statement.

MAS, however, recognises that it may not always be possible or practicable for the issuer to obtain the consent of the relevant expert. This is particularly the case if the statement is extracted from a reliable public official document which is not published for the purposes of the offer and where the expert will not derive any benefit from granting his consent to the inclusion of the statement.

In this instance, the requirement for expert’s consent would prohibit the statement from being included in the prospectus or offer information statement even though the statement may be relevant and could in fact allow investors to make better-informed decisions.
In this regard, MAS proposes to exempt the person who lodges the prospectus or offer information statement from having to obtain consent from the expert under limited circumstances, subject to additional disclosures being made in the prospectus.

MAS will be issuing the Securities and Futures (Offers of Investments) (Exemption from Section 249) Regulations shortly as an interim measure to give effect to MAS’ policy intent to grant the exemption, pending the implementation of the proposed regulation 22A.

**Exemption from aggregation requirement in section 272A(5) for market makers**

22B.–(1) Subject to paragraph (2), a person making an offer of securities issued by an entity in reliance on an exemption under subsection (1) of section 272A of the Act solely in his capacity as market-maker for the securities shall be exempt from the requirement under subsection (5) of that section, to the extent that that subsection requires him to aggregate the amounts raised within a period of 12 months by all of his offers of securities issued by the entity made in reliance on the exemption under subsection (1) of that section.

(2) The exemption under paragraph (1) shall be subject to the condition that the securities being offered are securities which -

(a) were previously sold by the person making the offer in his capacity as market-maker for the securities to qualified persons pursuant to an offer made in reliance on an exemption under section 272A(1); and

(b) were subsequently solely acquired by the person making the offer in his capacity as market-maker for the securities from the qualified persons referred to in sub-paragraph (a).

(3) In this regulation—

(a) “market-maker” means a holder of a capital markets services licence to deal in securities, or an exempt person in respect of dealing in securities, who—
(i) through a facility, at a place or otherwise (including electronic means) regularly quotes prices at which it proposes to acquire or dispose of securities for its own account; and

(ii) is ready, willing, and able to effect transactions in the securities at the quoted prices;

(b) "qualified person" means a person referred to in section 272A(3) of the Act.

(21) **Explanatory Note:** Where an offer is made in reliance on the small offers exemption (set out in new section 272A(1) in the SF(A) Bill), an offeror will be required to aggregate all amounts raised by him in the last 12 months from offers of securities issued by the same entity that were made in reliance on the small offers exemption ("the aggregation requirement").

The aim of the aggregation requirement is to prevent offerors from circumventing the prescribed S$5m limit by breaking up what is essentially a single offer into smaller parts, such that each part would qualify for a small offers exemption when the single offer would not.

MAS recognises, however, that this aggregation requirement could pose difficulties for resales of securities by a person acting as market-maker for that securities. MAS therefore proposes to exempt a market-maker from the aggregation requirement in respect of any sale of securities made solely in his capacity as market-maker for the securities, subject to the condition that the securities being offered (a) were previously sold by him in reliance on the small offers exemption; and (b) were subsequently repurchased by him solely in his capacity as market-maker.

**MAS seeks your comments on the proposal to exempt a market-maker from the aggregation requirement with respect to the small offers exemption and the proposed conditions therein.** MAS also seeks your views on whether such an exemption should be replicated for offers of units in business trusts and collective investment schemes.
Determination of a closely related offer for small offers and private placement

22C. — (1) For the purposes of sections 272A(6) and 272B(4) of the Act, unless otherwise determined by the Authority, an offer is a closely related offer to another offer under section 272A(5) or 272B(3), as the case may be, if —

(a) both offers form part of a single plan of financing;
(b) both offers are made for the benefit of the same person(s); or
(c) both offers are made in connection with the same business or in relation to a common business venture.

(2) When considering whether both offers fall within any of the circumstances specified in sub-paragraphs (a), (b) or (c) of paragraph (1), regard shall be had to —

(a) the intended usage of the net proceeds raised from both offers; and
(b) the person(s) who would have discretion over usage of the net proceeds raised from both offers.

(22) Explanatory Note: In determining whether the $5m limit on funds raised under the small offers exemption (set out in new section 272A in the SF(A) Bill) has been exceeded, an offeror will be required to aggregate all amounts raised by him in the last 12 months from offers of securities issued by the same entity, and from all closely related offers, that were made in reliance on the small offers exemption.

As mentioned earlier, the aim of the aggregation requirement is to prevent offerors from circumventing the prescribed S$5m limit by breaking up what is essentially a single offer into smaller parts, such that each part would qualify for a small offers exemption when the single offer would not.

Similarly, in determining whether the 50-offerees limit under the private placement exemption (set out in new section 272B in the SF(A) Bill) has been exceeded, an offeror will be required to aggregate all offers by him of securities issued by the same entity, and all closely-related offers, that were made within the last 12 months in reliance on the private placement exemption.

In assessing whether 2 or more purported small offers, or 2 or more purported private placements, are closely related, the new sections 272A and
272B in the SF(A) Bill provide that the offeror shall consider such factors as may be prescribed by MAS in the regulations. This approach recognises that it is neither possible nor practicable for MAS to set out in statute an exhaustive list of scenarios in which offers will be considered as “closely related” and are to be aggregated.

MAS proposes to prescribe the factors set out in proposed regulation 22C as relevant for considering whether two offers are closely related. In assessing whether the offers satisfy any of the prescribed circumstances, the offeror should have regard to the intended usage of the proceeds and the person(s) who would have discretion over usage of the proceeds.

It should be noted that the actual determination of whether two offers are closely related (i.e. whether the offers satisfy one or more of the factors prescribed) would depend on facts and circumstances of the case (such as whether they are made with the intention of circumventing the prescribed limits).

To provide some certainty to offerors and industry practitioners, MAS will be issuing guidelines to illustrate the common cases where two or more offers would satisfy one or more of the prescribed factors and thus, would be regarded as closely related offers. MAS is in the process of drafting the guidelines and will circulate the draft for industry consultation at a later date.

**MAS seeks your comments on the prescribed factors, including possible scenarios where multiple offers, due to the unique circumstances, should not be aggregated, notwithstanding that they satisfy one or more of the prescribed factors.**

**Contents of offer information statement under section 277 of Act**

23. —(1) An offer information statement under section 277 of the Act shall contain the particulars set out in the [Eleventh Schedule].

(2) The Authority may require any document, report or other material to be filed together with an offer information statement.

(3) [Deleted by S 542/2003]
(3) For the purposes of section 277(1) of the Act, the Authority prescribes structured notes issued by a specified financial institution to be such securities that do not fall within the scope of that section.

(23) **Explanatory Note:** Following the amendments made to section 277 in the SF(A) Bill, an entity whose shares are listed for quotation on a securities exchange will be allowed to use an offer information statement for any offer of its securities (whether or not they are similar to those already issued and listed). The use of an offer information statement, however, is not intended to extend to offers of complex securities such as structured notes which, due to their nature, would warrant a different set of disclosure requirements. Accordingly, MAS proposes to prescribe structured notes as securities which will not fall within the exemption in section 277.

MAS seeks your comments on the proposal to exclude structured notes as securities which could be offered using an offer information statement.

(4) An offer information statement to be lodged with the Authority under section 277(1) of the Act shall be signed by—

(a) every director of the corporation to which it relates;
and

(b) every person who is named therein as a proposed director of the corporation,

or by a person authorised in writing by the director or proposed director or equivalent person.

**Exemption from sections 240 and 277 of the Act in respect of an offer made pursuant to a bonus warrant**

23A. –(1) A person making an offer of securities of an entity whose shares are listed for quotation on a securities exchange, pursuant to a specified bonus warrant, shall be exempt from—
(a) the requirement under section 277(1) of the Act for an offer information statement in respect of the offer; and
(b) the requirement under section 240 of the Act for a prospectus in respect of the offer.

(2) In paragraph (1), “specified bonus warrant” means a right given, at no consideration, by an entity to its existing member to buy a specified number of securities of the entity at a given price not earlier than 6 months from the date of listing of the right for quotation on a securities exchange.

**Explanatory Note:** A person making an offer of securities of an entity, pursuant to a specified bonus warrant, will be required to issue a prospectus or offer information statement. The purpose of requiring a disclosure document is to ensure that investors are provided with sufficient information on the entity to make an informed decision on whether to subscribe for or purchase the securities being offered.

In the case of an offer of securities pursuant to a bonus warrant which may be exercised or converted into securities of that entity only after 6 months from the date of the listing of the bonus warrant for quotation on a securities exchange, MAS recognises that information contained in the offer information statement would no longer be current. Investors, could instead rely on other alternative sources of public information on the entity in making their investment decisions.

MAS therefore proposes to exempt the person making the offer from having to prepare and issue a disclosure document in such an instance. MAS will be issuing the Securities and Futures (Offers of Investments) (Exemption from Section 256) Regulations shortly as an interim measure to give effect to MAS’ policy intent to grant the exemption, pending the implementation of the proposed regulation 23A.

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**Exemption in respect of Making offer by using automated teller machine or wireless application protocol phone–electronic means under section 280 of the Act**

24. —(1) Subject to the conditions set out in paragraph (3), a person making an offer to the public of shares, debentures or units of shares or debentures using—
(a) any automated teller machine (referred to in this regulation as an ATM); or
(b) any wireless application protocol phone (referred to in this regulation as a WAP phone);

is exempted from the requirement under section 240 (1) (a) of the Act or, where applicable, section 240 (4) of the Act that the offer be made in or accompanied by a prospectus or, where applicable, a profile statement, in respect of the offer.

(2) For the avoidance of doubt, there must be a prospectus or a profile statement, as the case may be, in respect of the offer referred to in paragraph (1) that complies with section 240 (1) (a) (i), (ii) and (iii) or (4) (a) to (d) of the Act, as the case may be.

(1) For the purposes of section 280(1)(b) of the Act, the Authority prescribes the wireless application protocol phone (referred to in this regulation as a WAP phone) to be an electronic means used by a person making an offer of securities within the scope of that section.

(3) The conditions referred to in paragraph (1) are as follows:

(a) before enabling the submission of an application to subscribe for or purchase the shares, debentures or units of shares or debentures, the ATM or WAP phone shall indicate to the potential subscriber or buyer—

(i) how a copy of the prospectus or, where applicable, profile statement in respect of the offer can be obtained; and

(ii) that he should read the prospectus or, where applicable, profile statement before submitting his application; and

(b) in the case of an offer made through

(2) For the purposes of section 280(1) of the Act, a person making an offer of securities using a WAP phone, shall submit to the Authority an electronic image of a statement no later than the first day on which the offer is made, stating the uniform resource locator from which the offer is made through the WAP phone and signed by—

(a) in the case where the person making the offer is an individual, the person making the offer or a person authorised in writing by him;

(b) in the case where the person making the offer is an entity, a director or equivalent person of the entity or a person authorised in writing by the director or equivalent person; or corporation stating the uniform resource-
location from which the offer is made through the WAP phone, shall be lodged with the Authority no later than the first day on which the offer is made.

(c) in the case where the person making the offer is the government of a State, an official of the government of the State who is authorised to sign the statement on its behalf,

in accordance with regulation 11(1).

(25) Explanatory Note: The exemption for offers made using automated teller machines or other electronic means has been migrated to section 280 in the SF(A) Bill. Amendments made to regulation 24 are for the purposes of prescribing WAP phones as one of the electronic means under section 280.

Exemption in respect of offer made in connection with take-over offer in compliance with Take-over Code, etc.

24A.——(1) Sub-divisions (2) and (3) of Division 1 of Part XIII of the Act shall not apply to an offer to the public for subscription or purchase, or an invitation to the public to subscribe for or purchase, shares, debentures or units of shares or debentures, if the offer or invitation is made in connection with—

(a) an offer for the acquisition by or on behalf of a person of some or all of the shares in a corporation, or of some or all of the shares of a particular class in a corporation—

(i) to all members of the corporation or all members of the corporation holding shares of that class; or
(ii) where the person already holds shares in the corporation, to all other members of the corporation or all other members of the corporation holding shares of that class,

where such offer complies with the Take-over Code as though the Take-over Code is applicable to it; or

(b) a proposed compromise or arrangement between—

(i) a corporation and its creditors or a class of them; or
(ii) a corporation and its members or a class of them.
where such proposed compromise or arrangement and the execution thereof complies with the Take-over Code as though the Take-over Code is applicable to it.

(2) In paragraph (1), “corporation” means a corporation other than a company.

(26) Explanatory Note: Regulation 24A has been deleted as a consequence to the amendments made to section 273(1) in the SF(A) Bill.

Duty to inform person making offer about certain deficiencies

25. (1) A person referred to in paragraph (2) shall notify in writing the person referred to in regulation 24(1), as soon as practicable, if he becomes aware at any time after the prospectus or profile statement is registered by the Authority but before the close of the offer or invitation that—

(a) a statement or matter in the prospectus or the profile statement in respect of the offer is false or misleading;

(b) there is an omission from the prospectus of any information required to be included therein under section 243 of the Act, where applicable, or from the profile statement of any information required to be included therein under section 246 of the Act; or

(c) a new circumstance—

(i) has arisen since the prospectus or the profile statement was lodged with the Authority; and

(ii) would have been required to be included in the prospectus under section 243 of the Act, or to be included in the profile statement under section 246 of the Act, as the case may be, if it had arisen before the prospectus or the profile statement was lodged with the Authority,

and the failure to so notify would have been materially adverse from the point of view of an investor.

(2) The person referred to in paragraph (1) is—
(a) if the offer is made by a corporation, each director of the corporation;
(b) if the offer is made by a corporation, a person named in the prospectus or
the profile statement, with his consent, as a proposed director of the
corporation;
(c) an underwriter (but not a sub-underwriter) to the issue or sale of the shares
or debentures, or units of shares or debentures, named in the prospectus or
the profile statement with his consent;
(d) a person named in the prospectus or the profile statement with his consent
as having made a statement—
   (i) that is included in the prospectus or the profile statement; or
   (ii) on which a statement made in the prospectus or the profile statement is
       based;
       but only in respect of the inclusion of that statement; or
(e) any other person who made the false or misleading statement or omitted to
state the information or circumstance, as the case may be, but only in
respect of the inclusion of the statement or the omission to state the
information or circumstance, as the case may be.

(3) Any person who contravenes paragraph (1) shall be guilty of an offence and
shall be liable on conviction to a fine not exceeding $25,000 or to imprisonment for
a term not exceeding 12 months or to both.

Criminal liability for false or misleading statements

26. (1) This regulation applies in respect of an offer to the public of shares,
debentures or units of shares or debentures pursuant to an exemption under
regulation 24.

(2) Where—
   (a) a false or misleading statement or matter is contained in—
       (i) the prospectus or the profile statement in respect of the offer; or
       (ii) any application form for the shares or debentures, or units of shares
           or debentures;
   (b) there is an omission to state any information required to be included in the
       prospectus under section 243 of the Act or there is an omission to state any-
information required to be included in the profile statement under section 246 of the Act, as the case may be; or

(c) there is an omission to state a new circumstance that—

(i) has arisen since the prospectus or the profile statement was lodged with the Authority; and

(ii) would have been required to be included in the prospectus under section 243 of the Act, or to be included in the profile statement under section 246 of the Act, as the case may be, if it had arisen before the prospectus or the profile statement was lodged with the Authority,

the persons referred to in paragraph (5) shall be guilty of an offence even if such persons, unless otherwise specified, were not involved in the making of the false or misleading statement or the omission, and shall be liable on conviction to a fine not exceeding $25,000 or to imprisonment for a term not exceeding 12 months or to both.

(3) For the purposes of paragraph (2), a false or misleading statement about a future matter (including the doing of, or the refusal to do, an act) is taken to have been made if a person made the statement without having reasonable grounds for making the statement.

(4) A person shall not be taken to have contravened paragraph (2) if the false or misleading statement, or the omission to state any information or new circumstance, is not materially adverse from the point of view of the investor.

(5) The persons guilty of an offence under paragraph (2) are—

(a) the person making the offer;

(b) if the offer is made by a corporation, each director of the corporation;

(c) if the offer is made by a corporation, a person named in the prospectus or the profile statement, with his consent, as a proposed director of the corporation;

(d) an underwriter (but not a sub-underwriter) to the issue or sale of the shares or debentures, or units of shares or debentures, named in the prospectus or the profile statement with his consent;
(e) a person named in the prospectus or the profile statement with his consent as having made a statement—

(i) that is included in the prospectus or the profile statement; or

(ii) on which a statement made in the prospectus or the profile statement is based,

but only in respect of the inclusion of the statement; and

(f) any other person who made the false or misleading statement, or omitted to state the information or circumstance, as the case may be, but only in respect of the inclusion of the statement or the omission to state the information or circumstance, as the case may be.

(6) Where a prospectus or profile statement relating to any shares in or debentures of, or any unit of shares in or debentures of, a corporation is issued and the prospectus or profile statement omits to state any matter that is required to be stated as prescribed by the Authority, each director of the corporation and any other person responsible for the prospectus or profile statement shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $25,000 or to imprisonment for a term not exceeding 12 months or to both.

Defences
27. — (1) A person is not liable under regulation 26 (2) only because of a false or misleading statement in a prospectus or a profile statement if the person proves that he—

(a) made all inquiries (if any) that were reasonable in the circumstances; and

(b) after doing so, believed on reasonable grounds that the statement was not false or misleading.

(2) A person is not liable under regulation 26 (2) only because of an omission from a prospectus or a profile statement in relation to a particular matter if the person proves that he—

(a) made all inquiries (if any) that were reasonable in the circumstances; and

(b) after doing so, believed on reasonable grounds that there was no omission from the prospectus or profile statement in relation to that matter.
(3) A person is not liable under regulation 26 (2) only because of a false or misleading statement in, or an omission from, a prospectus or a profile statement if the person proves that he placed reasonable reliance on information given to him by—

(a) if the person is a corporation, someone other than a director, employee or agent of the corporation; or

(b) if the person is an individual, someone other than an employee or agent of the individual.

(4) For the purposes of paragraph (3), a person is not the agent of a corporation or individual merely because he performs a particular professional or advisory function for the corporation or individual.

(5) A person who is named in a prospectus or a profile statement as—

(a) a proposed director or underwriter;

(b) having made a statement included in the prospectus or the profile statement; or

(c) having made a statement on the basis of which a statement is included in the prospectus or the profile statement,

is not liable under regulation 26 (2) only because of a false or misleading statement in, or an omission from, the prospectus or the profile statement if the person proves that he publicly withdrew his consent to being named in the prospectus or the profile statement in that way.

(6) A person is not liable under regulation 26 (2) only because of a new circumstance that has arisen since the prospectus or the profile statement was lodged with the Authority if the person proves that he was not aware of the matter.

(27) Explanatory Note: Regulations 25 to 27 have been deleted following the introduction of a new section 280 in the SF(A) Bill to provide for offers made using automated teller machines (ATMs) or other prescribed electronic means. The liability provisions under sections 252 to 255 of the SFA will apply directly to offers made using ATMs and WAP phones.
Exempt purchaser application

28. — (1) Every application for a declaration as an exempt purchaser under section 274 (j) of the Act shall be made in Form 2 in the First Schedule.

(28) **Explanatory Note:** Regulation 28 has been deleted as a consequence to the amendments made to section 274 in the SF(A) Bill and the introduction of a new section 4A in the SF(A) Bill which rationalises the different classes of investors under the Act.

Although a person can no longer apply to be declared as an exempt purchaser under section 274, he may apply to be prescribed as an “institutional investor” under the new section (4A) in the SF(A) Bill.

PART V

EXTRA-TERRITORIAL APPLICATION OF DIVISION 1 OF PART XIII OF ACT

Non-applicability of section 339 (2) of Act under certain circumstances

29. — (1) Section 339 (2) of the Act does not apply to an offer to the public of shares, debentures or units of shares or debentures of securities made outside Singapore if —

(a) the number of enquiries or applications from persons in Singapore in response to such offer is insubstantial;

(b) the number of persons in Singapore to whom the offer is made is insubstantial;

(c) the number of persons in Singapore to whom the shares, debentures, or units of shares or debentures securities which are the subject of the offer are issued is insubstantial; and

(d) the amount raised from persons in Singapore pursuant to the offer is insubstantial.
(2) Notwithstanding that an offer referred to in paragraph (1) does not satisfy the conditions in that paragraph, section 339 (2) of the Act does not apply to that offer if —

(a) the offer is not denominated in Singapore dollars;

(b) there are in place proper systems or procedures to prevent persons in Singapore from subscribing for or purchasing the shares, debentures or units of shares or debentures securities, and adequate checks to ensure that these systems or procedures are effective;

(c) the offer is not made to or directed at persons in Singapore, whether electronically or otherwise;

(d) there is in place a prominent disclaimer in relation to the offer comprising a statement referred to in paragraph (3);

(e) the materials used for the offer do not contain any information which is specifically relevant to persons in Singapore; and

(f) the offer is not referred to in, or directly accessible from, any source which is intended for persons in Singapore.

(3) For the purposes of paragraph (2) (d), the disclaimer must comprise a statement to the effect that the offer to which it relates —

(a) is made to or directed at only persons outside Singapore; and

(b) may be acted upon only by persons outside Singapore.

(4) In this regulation, “offer” includes an advertisement of such an offer.

PART VI

TRANSITIONAL AND SAVINGS

[Regulations (30) to (32) are no longer applicable.]
(1) **Explanatory Note:** Following the amendments to regulation 3, Forms 1 and 2 contained in the existing First Schedule will be deleted.

[**FIRST SCHEDULE**]

Regulation 7 (a)

**TABLE 1 - REFERENCE TO PROSPECTUS UNDER THE PROVISIONS OF SUB-DIVISION 2 OF DIVISION 1 OF PART XIII OF ACT APPLICABLE TO AN OFFER OF DEBENTURES OR UNITS OF DEBENTURES THAT IS PART OF A DEBENTURE ISSUANCE PROGRAMME**

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<td>Section 241</td>
<td>Base prospectus; or pricing statement; or base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 241 (2)</td>
<td>Base prospectus; or base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 241 (3)</td>
<td>Base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 241 (6)</td>
<td>Base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 241 (6B)</td>
<td>Base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 241 (8)</td>
<td>Base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 241 (12)</td>
<td>Base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 242 (1) and (3)</td>
<td>Base prospectus; or base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 242 (5) and (7)</td>
<td>Base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 242 (8)</td>
<td>Base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 243 (1) and (2)</td>
<td>Base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 243 (5)</td>
<td>Base prospectus; or pricing statement; or base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 245</td>
<td>Base prospectus and pricing statement</td>
</tr>
<tr>
<td><strong>Provision of Act</strong></td>
<td><strong>Reference to a prospectus shall be read as a reference to</strong> –</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>Section 246</td>
<td>Base prospectus; or base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 247</td>
<td>Base prospectus; or pricing statement; or base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 248</td>
<td>Base prospectus; or pricing statement; or base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 249</td>
<td>Base prospectus; or pricing statement; or base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 249A</td>
<td>Base prospectus; or pricing statement; or base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 250</td>
<td>Base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 251 (1) to (4)</td>
<td>Base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 251 (5)</td>
<td>Base prospectus; or base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 251 (6) and (8)</td>
<td>Base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 251 (9) except (9)(d) and (9)(g)</td>
<td>Base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 251(9)(d) and (9)(g)</td>
<td>Base prospectus; or base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 252 except (1)(b) and (1)(c)(ii)</td>
<td>Base prospectus; or pricing statement; or base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 252(1)(b) and (1)(c)(ii)</td>
<td>Base prospectus and pricing statement</td>
</tr>
<tr>
<td>Section 253 except preamble paragraph, (b) and (c)(ii)</td>
<td>Base prospectus; or pricing statement; or base prospectus and pricing statement</td>
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<tr>
<td>Section 253 preamble paragraph, (b) and (c)(ii)</td>
<td>Base prospectus and pricing statement</td>
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**TABLE 2 - REFERENCE TO PROFILE STATEMENT UNDER THE PROVISIONS OF SUB-DIVISION 2 OF DIVISION 1 OF PART XIII OF ACT APPLICABLE TO AN OFFER OF DEBENTURES OR UNITS OF DEBENTURES THAT IS PART OF A DEBENTURE ISSUANCE PROGRAMME**

<table>
<thead>
<tr>
<th>Provision of Act</th>
<th>Reference to a profile statement shall be read as a reference to –</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 240 (4)</td>
<td>Base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 240 (4A)</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 240 (8)</td>
<td>Base profile statement</td>
</tr>
<tr>
<td>Section 240 (8A)</td>
<td>Base profile statement</td>
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<tr>
<td>Section 240 (9A)</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
</tr>
<tr>
<td>Provision of Act</td>
<td>Reference to a profile statement shall be read as a reference to –</td>
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<tr>
<td>----------------------------------</td>
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<tr>
<td>Section 240 (11)</td>
<td>Base profile statement</td>
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<tr>
<td>Section 240 (11A)</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 240 (12)</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 240 (14)</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 240 (15)</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
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<tr>
<td>Section 240 (16)</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 240 (17)(a) and (17)(i)</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 240 (17)(b)</td>
<td>Base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 241</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 241 (2)</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 241 (3)</td>
<td>Base profile statement and pricing statement</td>
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<tr>
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</tr>
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<td>Section 241 (6B)</td>
<td>Base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 241 (8)</td>
<td>Base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 241 (12)</td>
<td>Base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 242 (2) and (3)</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
</tr>
<tr>
<td>Provision of Act</td>
<td>Reference to a profile statement shall be read as a reference to –</td>
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<td>-----------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>Section 242 (5) and (7)</td>
<td>Base profile statement and pricing statement</td>
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<tr>
<td>Section 242 (8)</td>
<td>Base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 246 (1)</td>
<td>Base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 246 (2)</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
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<tr>
<td>Section 247</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
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<td>Section 248</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
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<td>Section 250</td>
<td>Base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 251 (1) to (4)</td>
<td>Base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 251 (5)</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
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<tr>
<td>Section 251 (6) and (8)</td>
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<tr>
<td>Section 251 (9) except (9)(d) and (9)(g)</td>
<td>Base profile statement and pricing statement</td>
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<tr>
<td>Section 251(9)(d) and (9)(g)</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
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<tr>
<td>Section 252 except (1)(b) and (1)(c)(ii)</td>
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</tr>
<tr>
<td>Provision of Act</td>
<td>Reference to a profile statement shall be read as a reference to –</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------</td>
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<tr>
<td>Section 252(1)(b) and (1)(c)(ii)</td>
<td>Base profile statement and pricing statement</td>
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<tr>
<td>Section 253 except preamble paragraph, (b) and (c)(ii)</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
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<tr>
<td>Section 253 preamble paragraph, (b) and (c)(ii)</td>
<td>Base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 254 except preamble paragraph, (b), (c)(ii)</td>
<td>Base profile statement; or base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 254 preamble paragraph, (b), (c)(ii)</td>
<td>Base profile statement and pricing statement</td>
</tr>
<tr>
<td>Section 255</td>
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<td>Section 280</td>
<td>Base profile statement and pricing statement</td>
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### FEES

<table>
<thead>
<tr>
<th>No.</th>
<th>Provision of Act or Regulations</th>
<th>Matter</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sections 239(4)(b), 240(1)(a) and 261 (1B)-(b)</td>
<td>(a) For application to the Authority for declaration as a prescribed corporation entity under section 239 (4) (b) or 261 (1B) (b) of the Act</td>
<td>$1,200</td>
</tr>
<tr>
<td>1A</td>
<td>Section 240(1)(a)</td>
<td>(b) For lodgment of any prospectus, (other than a prospectus in respect of a debenture issuance programme)</td>
<td>$1,200</td>
</tr>
<tr>
<td>2</td>
<td>Regulation 7(3) Section 240A(1)</td>
<td>In respect of a debenture issuance programme – (a) for lodgement of any base prospectus</td>
<td>$900</td>
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<tr>
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<td></td>
<td>(b) for lodgement of any pricing statement</td>
<td>$300</td>
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<tr>
<td>3</td>
<td>Section 240 (4)-(b)</td>
<td>For lodgment of any profile statement under section 240 (4) (b) of the Act</td>
<td>$600</td>
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<tr>
<td></td>
<td>Section 240 (119A)</td>
<td>For lodgment of any amendment to a prospectus or profile statement (other than a prospectus or profile statement in respect of a debenture issuance programme) or profile statement under section 240 (11) of the Act</td>
<td>$600</td>
</tr>
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<td>-----------------------------------------------------------------------------------------------------------------</td>
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<tr>
<td></td>
<td></td>
<td>The Authority may waive in whole or in part the fee as it thinks fit.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Section 240 (119A)</td>
<td>In respect of a debenture issuance programme, for lodgment of any amendment to a prospectus or profile statement</td>
<td>$450</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The Authority may waive in whole or in part the fee as it thinks fit.</td>
<td></td>
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<tr>
<td></td>
<td>Section 241(1)</td>
<td>For lodgment of any supplementary or replacement prospectus (other than a supplementary or replacement prospectus in respect of a debenture issuance programme) under section 241 (1) of the Act</td>
<td>$1,200</td>
</tr>
<tr>
<td></td>
<td>Section</td>
<td>Description</td>
<td>Fee</td>
</tr>
<tr>
<td>---</td>
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</tr>
<tr>
<td>7</td>
<td>Section 241-(1) and 241(1A)</td>
<td>In respect of a debenture issuance programme, for lodgment of any supplementary or replacement prospectus</td>
<td>$900</td>
</tr>
<tr>
<td>8</td>
<td>Section 241-(1)</td>
<td>For lodgment of any supplementary or replacement profile statement (other than a supplementary or replacement profile statement in respect of a debenture issuance programme under section 241 (1) of the Act)</td>
<td>$600</td>
</tr>
<tr>
<td>8A</td>
<td>Section 241-(1) and 241-(1A)</td>
<td>In respect of a debenture issuance programme, for lodgment of any supplementary or replacement profile statement</td>
<td>$450</td>
</tr>
<tr>
<td>9</td>
<td>Section 247-(1)</td>
<td>For every application to the Authority under section 247-(1) of the Act for an exemption from requirements as to form and content of a prospectus or profile statement</td>
<td>$50</td>
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<tr>
<td>10</td>
<td>Section 249-(3)</td>
<td>For every application to the Authority under section 249-(3) of the Act for an exemption from section 249 of the Act</td>
<td>$100</td>
</tr>
<tr>
<td>10A</td>
<td>Sections 256-(2) and 277-(1)-(b)</td>
<td>For lodgment of any offer information statement under section</td>
<td>$420</td>
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<tr>
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<tr>
<td>40B</td>
<td>Section 256-(4)</td>
<td>-</td>
<td>For every application to the Authority under section 256-(4) of the Act for a modification of the form and content of the offer information statement</td>
</tr>
<tr>
<td>11</td>
<td>Section 251-(14)</td>
<td></td>
<td>For every application to the Authority for an exemption from section 251 of the Act</td>
</tr>
<tr>
<td>12</td>
<td>Section 259-(3)</td>
<td></td>
<td>For every application to the Authority for an exemption from section 259 of the Act</td>
</tr>
<tr>
<td>12A</td>
<td>Section 262(2)</td>
<td></td>
<td>For every application to the Authority for an exemption from section 262 of the Act</td>
</tr>
<tr>
<td>13</td>
<td>Section 273-(5)</td>
<td></td>
<td>For every application to the Authority under section 273-(5) of the Act for a declaration that an exemption Subdivisions (2) and (3) of Division 1 of Part XIII of the Act shall not apply</td>
</tr>
<tr>
<td>13A</td>
<td>Section 274-(j)</td>
<td></td>
<td>For every application to the Authority for a declaration as an exempt purchaser under section 274-(j) of the Act</td>
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<tr>
<td>13B</td>
<td>Section 277-(2)</td>
<td></td>
<td>For every application to the Authority under</td>
</tr>
<tr>
<td>Section</td>
<td>Description</td>
<td>Fee</td>
<td></td>
</tr>
<tr>
<td>---------</td>
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<td></td>
</tr>
<tr>
<td>14</td>
<td>For any other application to the Authority</td>
<td>$30</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>On the late lodgment of any document under the Act after the period prescribed by law, in addition to any other fee</td>
<td>$100</td>
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</tr>
<tr>
<td></td>
<td>The Authority may, if satisfied that just cause existed for the late lodgment, waive in whole or in part the additional fee.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>On the lodgment of any other document with the Authority, where the fee is not specified in this Schedule</td>
<td>$10</td>
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</tr>
<tr>
<td>17</td>
<td>Section 317 For supplying a photographic or microprint copy of, or extract from, any record kept by the Authority</td>
<td>$1 for each page or part thereof</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Section 317 For supplying and certifying a photographic or microprint copy of, or extract from, any record kept by the Authority</td>
<td>$2 for each page or part thereof</td>
<td></td>
</tr>
</tbody>
</table>
(1) Explanatory Note: The amendments to this Schedule are proposed mainly as a consequence to the replacement of a reference to “corporation” with a reference to “entity” and the introduction of a definition for “securities’ in Division 1 of Part XIII of the SF(A) Bill.

INFORMATION THAT MAY BE OMITTED FROM A PRELIMINARY DOCUMENT

1. The statement on the front cover required under paragraph (b) (ii) of Part I of the [Fifth to Eighth Schedules], if and only if the front cover of the preliminary document includes the following statements:

“A copy of this preliminary document has been lodged with the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the preliminary document. Lodgment of the preliminary document with the Authority does not imply that the Securities and Futures Act (Cap. 289), or any other legal or regulatory requirements, have been complied with.”.

2. In a case where the corporation/entity in respect of which the shares or debentures or units of shares or debentures/securities, as the case may be, are to be offered is a company and the preliminary document contains a statement to the effect that the company has been converted to a public company even though it has not been so converted as at the date of lodgment of the preliminary document, the date of such conversion, if and only if the preliminary document contains a further statement that the relevant corporation/entity has not yet been converted to a public company as at the date of lodgment of the preliminary document and shall be converted to a public company before the registration of the prospectus.

3. In a case where the preliminary document contains a statement to the effect that a restructuring exercise has been carried out in connection with the offer or invitation even though the restructuring exercise has not been completed as at the date of lodgment of the preliminary document, the relevant date or dates on which the restructuring exercise is undertaken, if and only if the preliminary document includes a further statement that the restructuring exercise has not yet been carried
out as at the date of the lodgment of the preliminary document and shall be completed before the registration of the prospectus.

4. The price at which the shares or debentures, or units of shares or debentures, will be offered.

5. The number or nominal amount of shares or debentures, or units of shares or debentures, to be offered, or the amount of subscription for shares or debentures, or units of shares or debentures, to be sought.

6. The date of registration of the prospectus, if and only if the front cover of the preliminary document includes the date of lodgment of the preliminary document.

7. The time period during which the offer will be open.

8. The dates on which the shares or debentures, or units of shares or debentures, will be listed for quotation or quoted on a securities exchange or overseas securities exchange and on which trading will commence.

9. Any information which is dependent on the final determination of items 4 to 8.

10. Any other information as may be approved by the Authority in any particular case.
[FOURTH SCHEDULE]

Regulation 2-(5)

INTERPRETATION FOR TERMS USED IN [FIFTH TO TWELFTH FIFTEENTH SCHEDULES]

(1) Explanatory Note: The amendments to this Schedule are proposed mainly as a consequence to the replacement of the reference to “corporation” with a wider reference to “entity” in Division 1 of Part XIII of the SF(A) Bill and the introduction of new prospectus disclosure requirements for offers of asset-backed securities and structured notes.

1. In this Schedule and the [Fifth to Twelfth Fifteenth Schedules, unless the context otherwise requires —

"annual financial statements", in relation to a corporation entity, means financial statements covering a financial year of the corporation entity;

“asset-backed securities”, securitisation transaction” and “special purpose vehicle” have the same meanings as in section 262(3) of the Act;

"associate" —

(a) in relation to a corporation entity, means —

(i) a director or equivalent person;

(ii) where the entity is a corporation, a controlling shareholder of the entity;

(iii) where the entity is not a corporation, a controlling interest-holder of the entity;

(iv) a subsidiary, a subsidiary entity, or an associated company, or an associated entity, or

(v) a subsidiary, a subsidiary entity, or an associated company, or an associated entity, of the controlling shareholder or controlling interest-holder, as the case may be, of the corporation entity;
(2) Explanatory Note: Following the replacement of the reference to “corporation” with a reference to “entity” in Division 1 of Part XIII of the SF(A) Bill, all relevant references to “corporation” in this Schedule have been replaced with “entity” accordingly. To cater to new non-incorporated corporate structures and the possibility that such non-incorporated entities could control, or be controlled by, other entities, new terms such as “subsidiary entity”, “associated entity”, “controlling interest-holder” and “related entity” have also been introduced and artificially defined in relation to an entity to replicate the existing concepts of “subsidiary”, “associate company”, “controlling shareholder” and “related corporation” in relation to a corporation.

(b) in relation to a director, chief executive officer, substantial shareholder or controlling shareholder of a corporation who is an individual, means —

(i) his immediate family;

(ii) a trustee, when acting in his capacity as such trustee, of any trust of which the individual or any member of the individual’s immediate family is —

(A) a beneficiary; or

(B) in the case where the trust is of a discretionary trust, is a discretionary object,

when the trustee acts in that capacity; or

(iii) any corporation in which he and his immediate family together (whether directly or indirectly) have an interest in voting shares of an or not less than 30% of the aggregate of not less than 30% the nominal amount of the total votes attached to all the voting shares;

(c) in relation to a substantial shareholder, or controlling shareholder, substantial interest-holder or controlling interest-holder, which is an entity, means, notwithstanding paragraph (a), its any corporation which is its related corporation, related entity, or associated company or associated entity;
"associated company", in relation to an entity, means —

(a) any corporation, other than a subsidiary of the entity, in which—

(i) the corporation or one of more of its subsidiary subsidiaries or one or more of its subsidiary entities has;

(ii) or the corporation and one or more of its subsidiaries and one or more of its subsidiary entities together have;

(iii) the entity and one or more of its subsidiaries together have;

(iv) the entity and one or more of its subsidiary entities together have; or

(v) one or more of the subsidiaries of the entity and one or more of the subsidiary entities of the entity together have,

a direct interest in voting shares of not less than 20% but not more than 50% of the aggregate of the nominal amount total votes attached to of all the voting shares in the corporation; or

(b) any corporation, other than a subsidiary of the corporation or a corporation which is an associated company of the entity by virtue of paragraph (a), the policies of which—

(i) the corporation or one of more of its subsidiary subsidiaries or one of more of its subsidiary entities;

(ii) or the corporation together with and one or more of its subsidiaries and one or more of its subsidiary entities its subsidiary;

(iii) the entity and one or more of its subsidiaries;

(iv) the entity and one or more of its subsidiary entities; or

(v) one or more of the subsidiaries of the entity and one or more of the subsidiary entities of the entity,

is able to control or influence materially;
"associated entity", in relation to an entity, means —

(a) any entity (not being a corporation), other than a subsidiary entity of the first-mentioned entity, in which —

(i) the first-mentioned entity or one of more of its subsidiaries or one of more of its subsidiary entities has;
(ii) the first-mentioned entity and one or more of its subsidiaries and one or more of its subsidiary entities together have;
(iii) the first-mentioned entity and one or more of its subsidiaries together have;
(iv) the first-mentioned entity and one or more of its subsidiary entities together have; or
(v) one or more of the subsidiaries of the first-mentioned entity and one or more of the subsidiary entities of the first-mentioned entity together have,

a direct equity interest of not less than 20% but not more than 50% of the total equity interests in the entity; or

(b) any entity (not being a corporation), other than a subsidiary entity of the first-mentioned entity or an entity which is an associated entity of the first-mentioned entity by virtue of paragraph (a), the policies of which —

(i) the first-mentioned entity or one or more of its subsidiaries or one or more of its subsidiary entities;
(ii) the first-mentioned entity and one or more of its subsidiaries and one or more of its subsidiary entities;
(iii) the first-mentioned entity and one or more of its subsidiaries;
(iv) the first-mentioned entity and one or more of its subsidiary entities; or
(v) one or more of the subsidiaries of the first-mentioned entity and one or more of the subsidiary entities of the first-mentioned entity,

is able to control or influence materially;
"chief executive officer", in relation to a corporation, means any person, by whatever name called, in the direct employment of, or acting for or by arrangement with, the corporation, and who is principally responsible for the management and conduct of the business of the corporation;

"control", in relation to a corporation, means the capacity to determine the outcome of decisions on the financial and operating policies of the corporation, having regard to the following considerations:

(a) the practical influence which can be exerted (rather than the rights which can be enforced); and

(b) any practice or pattern of behaviour affecting the financial or operating policies of the corporation (even if it involves a breach of an agreement or a breach of trust),

but excludes any capacity to influence decisions on the financial and operating policies of a corporation where such influence is required to be exercised for the benefit of other persons pursuant to an obligation imposed under any written law, rule of law, contract or order of court;

(3) Explanatory Note: The definitions of “chief executive officer” and “control” have been deleted following the introduction of such definitions under section 239(1) in the SF(A) Bill.

"controlling shareholder", in relation to a corporation, means —

(a) a person who has an interest in the voting shares of a corporation and who exercises control over the corporation; or

(b) a person who has an interest in voting shares of an aggregate of not less than 30% or more of the aggregate of the nominal amount of all the total votes attached to all voting shares in the corporation, unless he does not exercise control over the corporation;
"controlling interest-holder", in relation to an entity (not being a corporation), means —

(a) a person who has an equity interest in the entity and who exercises control over the entity; or

(b) a person who has an equity interest in the entity of an aggregate of not less than 30% of the total equity interests in the entity, unless he does not exercise control over the entity;

"convertible debentures" means debentures which are —

(a) convertible into or exchangeable for other securities, equity interests or property; or

(b) attached with options, warrants or similar rights to subscribe for or purchase other securities, equity interests or property;

"depositor", in relation to a securitisation transaction where the transfer of assets in that transaction is a two-step process, means a special purpose vehicle created by the sponsor of that securitisation transaction to hold the assets that will subsequently be transferred or assigned to the entity issuing the asset-backed securities;

(4) **Explanatory Note:** The definition of “depositor” has been introduced as a consequence to providing for the possibility of a two-step securitisation transaction to facilitate an offer of asset-backed securities. Apart from this, with the proposed introduction of new prospectus disclosure requirements for offers of asset-backed securities and structured notes, MAS proposes to introduce definitions for new terms such as “depositor”, “enhancement”, "pool assets", "reference assets", "relevant assets", "servicer" and "sponsor" which are used in the context of offers of asset-backed securities and structured notes.

**MAS seeks your comments on the proposed definitions of terms which are used in relation to offers of asset-backed securities and structured notes.**
"credit enhancement" —

(a) in relation to an offer of asset-backed securities, means any arrangement by a person to compensate a SPV special purpose vehicle for a pre-determined amount of loss incurred as a means of insuring against any type of risk associated with any assets transferred or assigned to the SPV special purpose vehicle under a securitisation transaction;

(b) in relation to an offer of structured notes, means any arrangement by a person to compensate a single purpose vehicle or specified financial institution for a pre-determined amount of loss incurred as a means of insuring against any type of risk associated with any reference asset or, where applicable, any pool asset;

"entity at risk" means —

(a) the corporation entity concerned;

(b) a subsidiary or subsidiary entity of the corporation entity concerned, the shares of which are not dealt in, listed for quotation or quoted on, a securities exchange or overseas securities exchange; or

(5) Explanatory Note: The amendments made to limb (b) of the definition of "entity at risk" are to clarify that relevant information on transactions between the relevant entity’s subsidiary and an interested person should be disclosed in the prospectus, even if the subsidiary concerned is listed on a securities exchange or overseas securities exchange.

(c) an corporation entity which is an associated company of the corporation entity concerned by virtue of paragraph (a) of the definition of "associated company" or an associated entity of the entity concerned by virtue of paragraph (a) of the definition of "associated entity", over which control is exercised by any of the following persons: —

(i) the corporation entity concerned;
(ii) one or more subsidiary subsidiaries or subsidiary entities of the corporation entity concerned;

(iii) the corporation entity concerned together with a one or more of its related parties subsidiary of the corporation;

(iv) the corporation together with an interested person of the corporation;

(iv) one or more subsidiary subsidiaries or subsidiary entities of the corporation entity concerned together with an interested person of the corporation one or more other related parties of the entity concerned; or

(vi) the corporation together with a subsidiary of the corporation and an interested person of the corporation, exercise control, and the shares of which are not listed for quotation or quoted on a securities exchange or overseas securities exchange;

"equity interest", in relation to an entity, means any right or interest, whether legal or equitable, in the entity, by whatever name called, and includes any option to acquire any such right or interest in the entity;

"financial statements" means profit and loss statements, balance sheets and cash flow statements, and includes attached notes and schedules which are required by the body of accounting standards adopted by the corporation entity concerned in preparing the annual its financial statements;

"group", except for paragraph 4 of Part V of the Fifth Schedule, and paragraph 4 of Part V of the Seventh Schedule, means –

(a) a corporation and its subsidiary subsidiaries and its subsidiary entities (if any); or

(b) an entity (not being a corporation), its subsidiaries and its subsidiary entities (if any);
(6) **Explanatory Note:** Given that it is possible for an entity to have a controlling interest in another entity (not being a corporation), the definition of “group” has been amended to include a subsidiary entity (if any).

MAS seeks your comments on the proposal to include a subsidiary entity in the definition of “group”, in particular, whether there are any implications in the preparation of the group’s financial statements.

"immediate family", in relation to an individual, means the individual’s spouse, son, adopted son, step-son, daughter, adopted daughter, step-daughter, father, step-father, mother, step-mother, brother, step-brother, sister or step-sister;

(7) **Explanatory Note:** The definition of “immediate family” has been deleted following the introduction of such definition under section 239(1) in the SF(A) Bill.

"interested person", in relation to an *corporation* entity, means —

- (a) a director or equivalent person of the entity;
- (b) the chief executive officer or equivalent person of the entity;
- (c) where the entity is a corporation, or a controlling shareholder of the corporation entity;
- (d) where the entity is not a corporation, a controlling interest-holder of the entity; or
- (be) an associate of any such director, chief executive officer, or controlling shareholder person referred to in sub-paragraph (a), (b), (c) or (d);

(8) **Explanatory Note:** The definition of “interested person” is used in the context of disclosures of interested person transactions in the prospectus and hence, differs slightly from the definition of “related party” under section 239(1) in the SF(A) Bill which is used in the context of determining the circumstances under which an issuer and its directors will be required to sign for the prospectus. Unlike in the latter case, interested person transactions are
concerned with a person’s “interest” (i.e. whether the person stands to benefit from the transaction) rather than control. Hence, the definition of “interested person” will include, for e.g., an associated company which the entity may not have control. On the other hand, the definition of “related party” includes an associated company only if the entity is able to exercise some form of control over it.

"interim period", in relation to any financial statement, means —

(a) in a case where the date of lodgment of the prospectus concerned is more than 9 months after the end of the most recent completed financial year, the period of 6 months immediately following the end of the completed financial year; or

(b) in any other case, such number of months immediately following the end of the most recent completed financial year, as the directors of the corporation concerned consider appropriate;

(9) Explanatory Note: Given that the periods for which interim financial statements are to be included in the prospectus have been set out in the “Financial Information” section of the relevant Schedules, MAS is of the view that there should be not ambiguity as to what the term “interim period” refers to. The definition of “interim period”, accordingly, has been deleted.

"key executive" —

(a) in relation to an entity corporation, means an individual who is employed in an executive capacity by the corporation and who —

(i) makes or participates in making decisions that affect the whole or a substantial part of the business of the corporation; or

(ii) has the capacity to make decisions which affect significantly the corporation’s financial standing;

(b) in relation to a group, means an individual who is employed in an executive capacity by an entity corporation in the group and who —
(i) makes or participates in making decisions that affect the whole or a substantial part of the business of the group; or

(ii) has the capacity to make decisions which affect significantly the group’s financial standing;

"latest practicable date" means a date being the latest practicable in the context of the applicable requirement in these Regulations and which -

(a) in relation to a prospectus, is no earlier than 14 days prior to the date of lodgment of the prospectus with the Authority; and

(b) in relation to an offer information statement, is no earlier than 7 days prior to the date of lodgment of the offer information statement with the Authority;

(10) Explanatory Note: To ensure that up-to-date information is contained in the prospectus and offer information statement, MAS proposes to clarify that the “latest practicable date” should be a date that is the latest practicable and is not earlier than 14 days prior to date of lodgment of the prospectus, or 7 days prior to date of lodgment of the offer information statement.

MAS seeks your comments on the proposed definition for “latest practicable date”.

"originator”, in relation to a securitisation transaction, means the entity that transfers or assigns, whether directly or through a nominee or agent, its assets to a SPV under the securitisation transaction;

(11) Explanatory Note: The definition of “originator” has been deleted following the proposed introduction of a new definition for “sponsor” in this Schedule.

"pool assets", in relation to an offer of structured notes, means the assets held by a single purpose vehicle (whether as a legal or equitable owner);

"profit estimate" means a profit estimate for any period of time from the end of the financial period covered by the most recent financial statements (whether audited, pro forma or interim) included in the document which is the subject of the relevant Schedule to a date being no later than the date
"reference assets", in relation to an offer of structured notes, means –

(a) any securities, equity interest or index;

(b) any basket consisting of any securities, equity interests or indices;

(c) any entity or basket of entities; or

(d) any interest rates or currency exchange rates.

which payments to holders are or will be linked to;

“related corporation” –

(a) in relation to a corporation, has the same meaning as in section 4(1) of the Companies Act (Cap. 50); and

(b) in relation to an entity (not being a corporation), means a corporation that is deemed to be a related corporation of the entity under paragraph (1C);

“related entity”, in relation to an entity, means any entity (not being a corporation) that is deemed to be a related entity of the first-mentioned entity under paragraph (1D);

"relevant assets", in relation to an offer of asset-backed securities, means the assets held by a special purpose vehicle pursuant to a securitisation transaction;

"servicer" –

(a) in relation to an offer of asset-backed securities, means the entity that is principally responsible for the ongoing administration of the relevant assets;
(b) in relation to an offer of structured notes pursuant to a synthetic securitisation transaction, means the entity that is principally responsible for the ongoing administration of the reference assets;

"sponsor" –

(a) in relation to a securitisation transaction, means the entity that initiates the securitisation transaction by originating or acquiring and packaging, either directly or indirectly, a group of assets for resale as asset-backed securities; and

(b) in relation to a synthetic securitisation transaction, means the entity that initiates the synthetic securitisation transaction by originating and packaging, either directly or indirectly, exposure to a group of reference assets for sale in the form of structured notes;

"subsidiary" –

(a) in relation to a corporation, has the same meaning as in section 5 (1) of the Companies Act (Cap. 50); and

(b) in relation to an entity (not being a corporation), means a corporation that is deemed to be a subsidiary of the entity under paragraph (1A).

"subsidiary entity", in relation to an entity, means any entity (not being a corporation) that is deemed to be a subsidiary entity of the first-mentioned entity under paragraph (1B);

"substantial interest-holder", in relation to an entity (not being a corporation), means a person who has an equity interest in the entity representing not less than 5% of the total equity interests in the entity;

1A.—(1) For the purposes of this Schedule and the [Fifth to Fifteenth] Schedules, a corporation shall, subject to sub-paragraph (3), be deemed to be a subsidiary of an entity (not being a corporation), if –

(a) the entity —
(i) controls the composition of the board of directors of the corporation;

(ii) controls more than half of the voting power of the corporation; or

(iii) holds more than half of the issued share capital of the corporation (excluding any part thereof which consists of preference shares); or

(b) the corporation is a subsidiary of another entity which is a subsidiary of the entity.

(2) For the purposes of sub-paragraph (1)(a)(i), the composition of a corporation’s board of directors shall be deemed to be controlled by the entity if the entity, by the exercise of some power exercisable by it without the consent or concurrence of any other person, can appoint or remove all or a majority of the directors, and for the purposes of this provision, the entity shall be deemed to have power to make such an appointment if —

(a) a person cannot be appointed as a director without the exercise in his favour by the entity of such a power; or

(b) a person’s appointment as a director follows necessarily from his being a person of the entity who is equivalent to being a director or officer of a corporation.

(3) In determining whether a corporation is a subsidiary of the entity —

(a) any shares held or power exercisable by the entity in a fiduciary capacity shall be treated as not held or exercisable by it;

(b) subject to sub-paragraphs (c) and (d), any shares held or power exercisable —

(i) by any person as a nominee for the entity (except where the entity is concerned only in a fiduciary capacity); or

(ii) by, or by a nominee for, a subsidiary of the entity, not being a subsidiary which is concerned only in a fiduciary capacity, shall be treated as held or exercisable by the entity;

(c) any shares held or power exercisable by any person by virtue of the provisions of any debentures of the corporation or of a trust deed for securing any issue of such debentures shall be disregarded; and
(d) any shares held or power exercisable by, or by a nominee for, the entity or its subsidiary (not being held or exercisable as mentioned in sub-paragraph (c)) shall be treated as not held or exercisable by the entity if the ordinary business of the entity or its subsidiary, as the case may be, includes the lending of money and the shares are held or power is exercisable as aforesaid by way of security only for the purposes of a transaction entered into in the ordinary course of that business.

1B.—(1) For the purposes of this Schedule and the [Fifth to Fifteenth] Schedules, an entity (not being a corporation) shall, subject to sub-paragraph (3), be deemed to be a subsidiary entity of another entity, if —

(a) the second-mentioned entity —

(i) controls the composition of the board of persons of the first-mentioned entity which is equivalent to the board of directors of a corporation;

(ii) controls more than half of the voting power of the first-mentioned entity; or

(iii) holds more than half of the issued equity interests of the first-mentioned entity; or

(b) the first-mentioned entity is a subsidiary entity of another entity which is a subsidiary or subsidiary entity of the second-mentioned entity.

(2) For the purposes of sub-paragraph (1)(a)(i), the composition of the board of persons of the entity shall be deemed to be controlled by another entity if the second-mentioned entity, by the exercise of some power exercisable by it without the consent or concurrence of any other person, can appoint or remove all or a majority of the board of persons of the first-mentioned entity, and for the purposes of this provision, the second-mentioned entity shall be deemed to have power to make such an appointment if —

(a) a person cannot be appointed as a person of the first-mentioned entity who is equivalent to being a director of a corporation without the exercise in his favour by the second-mentioned entity of such a power; or

(b) a person’s appointment as a person of the first-mentioned entity who is equivalent to being a director of a corporation follows
necessarily from his being a director or equivalent person or other officer or equivalent person of the second-mentioned entity.

(3) In determining whether an entity (not being a corporation) is a subsidiary entity of another entity —

(a) any equity interests held or power exercisable by the second-mentioned entity in a fiduciary capacity shall be treated as not held or exercisable by it;

(b) subject to sub-paragraphs (c) and (d), any equity interests held or power exercisable —

(i) by any person as a nominee for the second-mentioned entity (except where the second-mentioned entity is concerned only in a fiduciary capacity); or

(ii) by, or by a nominee for, a subsidiary or subsidiary entity of the second-mentioned entity, not being a subsidiary or subsidiary entity which is concerned only in a fiduciary capacity,

shall be treated as held or exercisable by the second-mentioned entity;

(c) any equity interests held or power exercisable by any person by virtue of the provisions of any debentures of the first-mentioned entity or of a trust deed for securing any issue of such debentures shall be disregarded; and

(d) any equity interests held or power exercisable by, or by a nominee for, the second-mentioned entity or its subsidiary or subsidiary entity (not being held or exercisable as mentioned in sub-paragraph (c)) shall be treated as not held or exercisable by the second-mentioned entity if the ordinary business of the second-mentioned entity or its subsidiary or subsidiary entity, as the case may be, includes the lending of money and the equity interests are held or power is exercisable as aforesaid by way of security only for the purposes of a transaction entered into in the ordinary course of that business.

1C.—(1) For the purposes of this Schedule and the [Fifth to Fifteenth Schedules], a corporation shall be deemed to be related to an entity (not being a corporation) if the corporation is —

(a) a subsidiary of the entity:
(b) the holding company of the entity; or
(c) a subsidiary of the holding company of the entity.

(2) For the purposes of sub-paragraph (1)(b), a corporation is the holding company of an entity if it —

(a) controls more than half of the voting power of the entity; or
(b) holds more than half of the issued equity interest.

1D. — (1) For the purposes of this Schedule and the [Fifth to Fifteenth] Schedules, an entity (not being a corporation) shall be deemed to be related to another entity if the first-mentioned entity is —

(a) a subsidiary entity of the second-mentioned entity;
(b) the holding entity of the second-mentioned entity; or
(c) a subsidiary entity of the holding entity of the second-mentioned entity.

(2) For the purposes of sub-paragraph (1)(b), an entity is the holding entity of another entity if it —

(a) controls more than half of the voting power of the second-mentioned entity; or
(b) holds more than half of the issued equity interests of the second-mentioned entity.

2. For the purposes of this Schedule and the [Fifth to Twelfth—Fifteenth Schedules]—

(a) any reference to a director or equivalent person includes a reference to a person named with that person’s consent in the prospectus, abridged prospectus or statement of material facts or offer information statement, as the case may be, as a proposed director or equivalent person of the corporation or entity concerned;

(b) any reference to the most recent completed financial year or years shall be a reference to the most recent completed financial year or years prior to the lodgment of the document with the Authority which is the subject of the relevant Schedule;

(c) any reference to the latest practicable date shall be a reference to the latest practicable date prior to the lodgment of the document with the Authority that is the subject of the relevant Schedule; and
(d) any reference to a pro forma group, in relation to a corporation entity, shall be a reference to a pro forma group of which the corporation entity is the holding company.
PARTICULARS TO BE INCLUDED IN A PROSPECTUS UNDER SECTION 243 OF THE ACT IN RELATION TO SHARES OR UNITS OF SHARES WHERE AN APPLICATION HAS BEEN OR WILL BE MADE TO A SECURITIES EXCHANGE TO LIST FOR QUOTATION OR QUOTE SUCH SHARES OR UNITS OF SHARES ON THE SECURITIES EXCHANGE

(1) MAS seeks your comments on the requirements contained in this Schedule, and in particular, the proposed changes to the existing requirements (which are tracked against the existing Fifth Schedule) and the matters set out in grey boxes below.

PART I

FRONT COVER

On the front cover of the prospectus, provide —

(a) the date of registration of the prospectus or, in the case of a supplementary prospectus or replacement prospectus, the date of lodgment of the supplementary prospectus or replacement prospectus;

(b) the following statements:

(i) “This document is important. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, legal, financial, tax, or other professional adviser.”; and

(ii) “A copy of this prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the prospectus. Registration of the prospectus by the Authority does not imply that the Securities and Futures Act (Cap. 289), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any
way, considered the merits of the shares or units of shares, as the case may be, being offered or in respect of which an invitation is made, for investment.”

(c) the name of the corporation in respect of which the shares or units of shares, as the case may be, are being offered (hereinafter the relevant corporation), and its country of incorporation;

(d) a statement to the effect that an application has been or will be made to a securities exchange to list for quotation or quote the shares or units of shares, as the case may be, being offered on that securities exchange, and the name of such securities exchange; and

(e) a statement that no shares or units of shares, as the case may be, shall be allotted or allocated on the basis of the prospectus later than 6 months after the date of registration of the prospectus by the Authority.

**PART II**

**IDENTITY OF DIRECTORS, KEY EXECUTIVES, ADVISERS AND AGENTS**

**Directors and Key Executives**

1. Provide the names, addresses and occupations of the directors and key executives of the relevant corporation.

**Company Secretary**

2. Provide the name and professional qualifications of the company secretary of the relevant corporation.

**Advisers**

3. Provide the names and addresses of —

   (a) the relevant corporation’s principal banker or bankers;
   (b) the sponsor for the listing or quotation or manager of the offer;
   (c) the underwriter of the offer; and
   (d) the legal adviser for or in relation to the offer.


**Auditors**

4. Provide the names, addresses and professional qualifications (including membership in a professional body, if any) of the relevant corporation’s auditors for the 3 most recent completed financial years. If applicable, provide also the name, address and professional qualifications (including membership in a professional body, if any) of any other auditor engaged by the relevant corporation in relation to the requirements under Parts VI and IX of this Schedule.

4A. In a case where 2 or more persons are engaged by the relevant corporation to jointly audit, report on, or prepare financial information for the relevant corporation, all of these persons shall be considered to be auditors for the purposes of the requirements under Parts VI and IX of this Schedule if at least one of these persons satisfies the definition of auditor in section 2(1) of the Act.

(2) Explanatory Note: The proposed new paragraph 4A is to clarify that in a case where two or more persons are engaged by the issuer to jointly audit, report on or prepare its financial information, it shall be sufficient that one of these persons satisfies the definition of auditor in section 2(1) of the SF(A) Bill.

**Registrars and Agents**

5. Provide the names and addresses of the relevant corporation’s share registrars, transfer agents and receiving bankers for the shares or units of shares being offered, as the case may be.

**PART III**

**OFFER STATISTICS AND TIMETABLE**

**Offer Statistics**

1. For each method of offer, state the offer price and the number of shares or units of shares, as the case may be, being offered.

**Method and Timetable**

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to the offer procedure —
(a) for each offer; and

(b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, for each group of targeted potential investors.

3. The time at, date on, and period during which the offer will be open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. Describe whether the offer period may be extended or shortened and if so, how it may be extended or shortened, and the duration of possible extensions or possible early closure of this period. Describe the manner in which any extension or early closure of the offer period shall be made public. If the exact date or period is not known when the prospectus is first lodged with the Authority, describe the arrangements for announcing the definitive date or period.

4. The method and time limit for paying up for the shares or units of shares, as the case may be, and where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

5. The methods of and time limits for —

   (a) the delivery of the documents evidencing title to the shares or units of shares (including temporary documents of title, if applicable), as the case may be, being offered to subscribers or purchasers; and

   (b) the book-entry transfers of the shares or units of shares, as the case may be, being offered in favour of subscribers or purchasers,

   as may be applicable.

6. In the case of pre-emptive purchase rights, the procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

7. A full description of the manner in which results of the allotment or allocation of the shares or units of shares, as the case may be, are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).
PART IV

KEY INFORMATION

Selected Financial Data

1. Provide, in the same currency as the financial statements to be provided under Part IX of this Schedule —

(a) in a case where pro forma financial statements have been provided under paragraph 11 of Part IX of this Schedule, selected pro forma profit and loss data for the period to which the pro forma financial statements relate; or

(b) in any other case, selected audited or re-stated profit and loss data for the periods to which the audited or restated financial statements, as the case may be, for the period to which the audited or re-stated financial statements, as the case may be, provided under paragraph 2 of Part IX of this Schedule relate.

(a) selected pro forma profit and loss data containing at least the information specified in paragraph 4 of this Part in respect of the financial years for which pro forma financial statements have been included in the prospectus;

(b) where applicable, in respect of any financial year for which pro forma profit and loss statements have not been included pursuant to paragraph 12 of Part IX of this Schedule, selected audited profit and loss data of the relevant corporation or, if the relevant corporation is the holding company of a group, the group, or where audited financial statements have been restated under paragraph 3(b) of Part IX of this Schedule, selected re-stated profit and loss data, containing at least the information specified in paragraph 4 of this Part;

(c) if interim financial statements have been included in the prospectus, selected profit and loss data containing at least the information specified in paragraph 4 of this Part in respect of the interim period and, where annual financial statements in respect of the previous financial year have been included in the prospectus, comparative profit and loss data in respect of the corresponding interim period of the previous financial year; and

(d) selected balance sheet data containing at least the information specified in paragraph 4A of this Part, as at the end of the most recent completed financial year for which annual financial statements have been included in
the prospectus, or as at the end of the most recent interim period if interim financial statements have been included in the prospectus.

(3) **Explanatory Note:** The amendments to paragraph 1 are proposed mainly to provide clarity on the selected financial data that is required to be included in the prospectus. Based on the amended provision, in the case where the actual group structure is already in place for the most recent completed financial year or the two most recent completed financial years, selected pro forma profit and loss data for each of the financial year(s) prior to formation of the actual group and selected audited profit and loss data for each of the financial years for which audited financial statements have been provided will be required to be included in the prospectus.

2. Provide, in the same currency as the financial statements to be provided under Part IX of this Schedule—

   (a) in a case where pro forma balance sheet has been provided under paragraph 11 of Part IX of this Schedule, selected pro forma balance sheet data as at the most recent financial year-end; or

   (b) in any other case, selected audited balance sheet data as at the most recent financial year-end.

3. If interim financial statements are included, whether because they are required under paragraph 25 of Part IX of this Schedule or otherwise, provide—

   (a) selected profit and loss data in respect of the interim period in addition to the selected profit and loss data to be provided under paragraph 1 of this Part; and

   (b) selected balance sheet data as at the end of the interim period instead of the selected balance sheet data referred to in paragraph 2 of this Part.

3A. If selected profit and loss data is included under paragraph 3 of this Part, comparative profit and loss data in respect of the corresponding period in the previous financial year must also be provided, unless no annual profit and loss statements have been provided under Part IX of this Schedule for the most recent completed financial year.
3B. If the selected profit and loss data or the selected balance sheet data for any interim period or comparative interim period to be provided under paragraph 3 of this Part, or the comparative profit and loss data to be provided under paragraph 3A of this Part is not audited, that fact shall be stated.

4. For the selected profit and loss data and balance sheet data, the specific line items presented must be expressed in the same manner as the corresponding line items in the audited or pro forma group financial statements, as the case may be. Such data must include items generally corresponding to the following: net sales or revenues; operating profit (loss) before exceptional items; exceptional items; profit (loss) before tax; extraordinary items; profit (loss) before tax after extraordinary items; net profit (loss); operating profit (loss) before exceptional items per share; earnings (loss) per share; and diluted earnings (loss) per share (including the number of shares as adjusted to reflect changes in capital); and total assets; net tangible assets; net assets; shareholders’ equity; number of shares as adjusted to reflect changes in capital; dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared; and diluted earnings per share. Per share amounts to be included must be determined in accordance with the body of accounting principles used in preparing the financial statements.

4A. For the selected balance sheet data, the specific line items presented must be expressed in the same manner as the corresponding line items in the audited or pro forma group financial statements, as the case may be. Such data must include items generally corresponding to the following: total assets (liabilities); net tangible assets (liabilities); net assets (liabilities); and shareholders’ equity.

(4) Explanatory Note: The existing paragraph 4 has been split into two provisions for clarity.

5. Where the financial statements of the relevant corporation are prepared in a currency other than the Singapore currency, provide —

(a) the exchange rate between that foreign currency and the Singapore currency as at the latest practicable date;

(b) the highest and lowest exchange rates between that foreign currency and the Singapore currency for each month during the previous 6 months; and
(c) for the 3 most recent completed financial years and any interim period for which financial statements have been included in the prospectus, the average exchange rates for each period, calculated by using the average of the exchange rates between that foreign currency and the Singapore currency on the last day of each month during the period.

**Capitalisation and Indebtedness**

6. Provide a statement of capitalisation and indebtedness (distinguishing between guaranteed and non-guaranteed, and secured and unsecured, indebtedness) as of a date no earlier than 60 days prior to the date of lodgment of the prospectus, showing the relevant corporation’s capitalisation of -

   (a) the relevant corporation;

   (b) if the relevant corporation is the holding company of a group but not of a pro forma group, the group; or

   (c) if the relevant corporation is the holding company of a pro forma group, the pro forma group, on an actual basis

   and, if applicable, adjusted to reflect the sale of new shares or units of shares, as the case may be, being issued and the intended application of the net proceeds therefrom. Indebtedness includes indirect and contingent indebtedness.

(5) Explanatory Note: The amendments to paragraph 6 are proposed mainly to clarify that where the restructuring exercise has not taken effect, information on the capitalisation position for the pro forma group shall be provided.

**Use of Proceeds and Expenses of the from Offer and Expenses Incurred**

7. Disclose, in a section under the heading “Use of Proceeds and Expenses Incurred”--

   (a) disclose the estimated amount of the proceeds from the offer (net of the expenses incurred for the offer) broken down into each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where
specific uses are not known for any portion of the proceeds, disclose the
general uses for which the proceeds are proposed to be applied. Where the
offer is not fully underwritten on a firm commitment basis, state the
minimum amount which, in the reasonable opinion of the directors of the
relevant corporation, must be raised by the offer of shares or units of shares,
as the case may be.

(b) disclose, for each dollar of the proceeds from the offer (net of the
expenses incurred for the offer), the amount that will be allocated to each
principal intended use;

8. (c) If the proceeds are proposed to be used, directly or indirectly, to acquire
or refinance the acquisition of an asset other than in the ordinary course of
business, briefly describe the asset and its purchase price. If the asset has
been or will be acquired from an associate interested person of the relevant
corporation, identify the associate interested person and how the cost to the
relevant corporation will be determined.

9. (d) If the proceeds may or will be used to finance or refinance the
acquisition of another business, briefly describe such business and give
information on the status of the acquisition.

10. (e) If any material part of the proceeds is to be used to discharge, reduce or
retire the indebtedness of the relevant corporation or, if the relevant
corporation is the holding company of a group but not of a pro forma group,
of the group, or, if the relevant corporation is the holding company of a pro
forma group, of the pro forma group, describe the maturity of such
indebtedness and, for indebtedness incurred within the past year, the uses to
which the proceeds giving rise to such indebtedness were put.

(f) disclose the amount of discount or commission per share or per unit of
share, as the case may be, agreed upon between the underwriter or other
placement or selling agents in relation to the offer and the relevant
corporation or selling shareholder; and

(g) provide a reasonably itemized statement of the major categories of
expenses incurred in connection with the issue and distribution of the shares
or units of shares, as the case may be, being offered and by whom the
expenses are payable (if not payable by the relevant corporation). If any of
the shares or units of shares, as the case may be, are being offered by a
selling shareholder, indicate the portion of such expenses to be borne by such
shareholder. The information may be given subject to future contingencies and where the amount of any item is not known, estimates (identified as such) shall be given.

(6) **Explanatory Note:** To provide investors with a clearer picture of the amount of expenses incurred in relation to the offer and the proportion of funds that will eventually be used for each intended purpose, MAS proposes to require information on use of proceeds and expenses incurred to be disclosed in the same section. MAS also proposes to require disclosure on the amount that will be allocated to each principal intended use in respect of each dollar of proceeds raised from the offer.

**MAS seeks your comments on the proposed disclosure requirements relating to the use of proceeds and expenses incurred.**

**Risk Factors**

11. Disclose, in a specific section with the heading “Risk Factors”, the risk factors that are specific to the relevant corporation and its industry as well as the shares or units of shares, as the case may be, being offered, which had materially affected or could materially affect, directly or indirectly, the relevant corporation’s financial position and results, business operations and investments by shareholders of the relevant corporation.

**PART V**

**INFORMATION ON THE RELEVANT CORPORATION**

**History of the Relevant Corporation**

1. Provide the following information:

   (a) the name of the relevant corporation;

   (b) the date of incorporation and, where the constituent documents of the relevant corporation provide a limit as to the duration for which the relevant corporation is to exist, such duration;

   (c) the country of incorporation and legal form of the relevant corporation, the legislation under which it operates, and the address and telephone and
facsimile numbers of its registered office (or principal place of business if different from its registered office);

(7) **Explanatory Note:** The relevant requirements in sub-paragraphs (a) and (c) have been deleted as such information is already required under Part I of this Schedule.

(d) the length of time for which the business of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, of the group, or, if the relevant corporation is the holding company of a pro forma group, of the pro forma group, has been carried on and the important events in the development of the business;

(e) a description, including the amount invested, of each material expenditure on and divestment of capital investment (including any interest in another corporation) by the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, by the group, or, if the relevant corporation is the holding company of a pro forma group, by the pro forma group, for the period starting from the beginning of the period comprising the 3 most recent completed financial years and ending on the latest practicable date;

(f) any material capital investment by the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, by the group, or, if the relevant corporation is the holding company of a pro forma group, by the pro forma group, the making or divestment of which is in progress, including the geographical location of the investment and the method of financing;

(g) any public take-over offer, by a third party in respect of the relevant corporation’s shares or by the relevant corporation in respect of the shares of another corporation or the units of a business trust, which has occurred during the period from the beginning of the most recent completed financial year to the latest practicable date; last and current financial year; state including the price or exchange terms attaching to such offer and the outcome thereof.
(8) **Explanatory Note:** The amendments to sub-paragraph (g) are proposed for clarity.

**Business Overview**

2. Provide the following information in respect of the relevant corporation:

   (a) the nature of the operations and principal activities; the main categories of products sold and services performed for each of the 3 most recent completed financial years, any significant new product or service introduced between the beginning of the period comprising the 3 most recent completed financial years and the latest practicable date and, to the extent that the development of the new product or service has been publicly disclosed, the status of such development;

   (b) the principal markets in which the relevant corporation competes, including a breakdown of total revenues by category of activity and geographic market, for each of the 3 most recent completed financial years;

   (c) whether the main business is seasonal in nature and if so, details of such seasonal nature;

   (d) the marketing activities;

   (e) whether the business or profitability of the relevant corporation is materially dependent on any patent or licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process;

   (f) any material effect of government regulations on the business, identifying the regulatory body.

3. In paragraph 2 of this Part, a reference to the relevant corporation shall, if the relevant corporation is the holding company of a group but not of a pro forma group, be a reference to the group or, if the relevant corporation is the holding company of a pro forma group, be a reference to the pro forma group.
**Organisational Structure**

4. If the relevant corporation is part of a group, briefly describe the group, and the relevant corporation’s position within the group. If the relevant corporation is the holding company of a group or a pro forma group, provide information on every subsidiary, and associated company, subsidiary entity and associated entity, of the relevant corporation, being a subsidiary, or associated company, subsidiary entity or associated entity, as the case may be, the absolute amount of the net assets (liabilities) or profit (loss) before tax of which accounts for 10% or more of the absolute amount of the net assets (liabilities) or profit (loss) before tax respectively of the group or pro forma group, as the case may be, for any of the 3 most recent completed financial years. Such information shall include the name, country of incorporation or constitution, and principal place of business, principal activities, proportion of ownership interest of the relevant corporation and, if different, proportion of voting power held by the relevant corporation.

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<th>(9)</th>
<th><strong>Explanatory Note:</strong> MAS proposes to require information on each member of the group to be provided for completeness.</th>
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<td><strong>MAS seeks your comments on whether there are any scenarios under which identification of every member of the group will not be meaningful.</strong></td>
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**Fixed Assets**

5. Provide information regarding any material tangible fixed asset of the relevant corporation, including any leased property and major encumbrance thereon. The information provided must include (in the case of real property) a description of the size and use of the real property; (in the case of a production facility) an indication of the productive capacity and extent of utilisation of the facility for each of the 3 most recent completed financial years; a statement on how the fixed asset is held, the product produced using the fixed asset, and the location.

6. Describe any regulatory requirement that may materially affect the relevant corporation’s utilisation of a tangible fixed asset. With regard to any material plan to construct, expand or improve a facility, describe the nature of and reason for the plan, and give an estimate of the amount of expenditure, including the amount already expended. In addition, disclose the method of financing the plan, the estimated dates of commencement and completion of the plan, and any anticipated increase in production capacity after completion.
7. In paragraphs 5 and 6 of this Part, a reference to the relevant corporation shall, if the relevant corporation is the holding company of a group but not of a pro forma group, be a reference to the group or, if the relevant corporation is the holding company of a pro forma group, be a reference to the pro forma group.

PART VI

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

1. Information required under this Part shall be provided in respect of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, of the group, or, if the relevant corporation is the holding company of a pro forma group, of the pro forma group. Reference made to “period under review” in this Part means each of the 2 most recent completed financial years and, if interim financial statements are included in the prospectus whether or not pursuant to Part IX of this Schedule, the period for which such interim financial statements are provided.

Operating Results

2. In respect of the period under review each of the 2 most recent completed years for which audited financial statements or pro forma financial statements have been included in the prospectus and any interim period for which interim financial statements have been included in the prospectus, provide a narrative of the extent to which any material change in net sales or revenues is attributable to a change in the price or volume of products or services being sold or to the introduction of a new product or service as compared to the previous corresponding period.

3. In respect of each financial year for which audited financial statements or pro forma financial statements have been included in the prospectus and any interim period for which interim financial statements have been included in the prospectus in respect of the period under review, provide information regarding any significant factor, including unusual or infrequent event or new development, which materially affected profit (loss) before tax from operations; and indicate the extent to which such profit (loss) was so affected. Describe any other significant component of revenue or expenditure necessary to understand the results of operations for each of these financial periods the period under review.
4. If the impact of foreign currency fluctuations is material, state such impact and the extent to which foreign currency exposure and investment is hedged by currency borrowings or other hedging instruments.

**Business**

**Liquidity and Capital Resources**

5. Provide the following information regarding liquidity (both short and long term):

(a) a description of the material sources of liquidity, whether internal or external, and a brief discussion of any material unused sources of liquidity, as of the latest practicable date; include a statement by the directors of the relevant corporation whether, in their reasonable opinion, the working capital available to the relevant corporation or, if the relevant corporation is the holding company of a group, to the group, as of the date of lodgment of the prospectus is sufficient for present requirements and, if insufficient, how the additional working capital, thought considered by the directors to be necessary, is proposed to be provided;

(b) an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —

(i) each financial year for which audited cash flow statements have been included in the prospectus; the period under review; or

(ii) where no audited cash flow statements have been included in the prospectus, the most recent completed financial year for which a pro forma cash flow statement has been provided under Part IX of this Schedule, the most recent completed financial year as well as the interim period if interim financial statements have been provided,

and the interim period if interim cash flow statements have been included in the prospectus, including the nature and extent of any legal, financial or economic restriction on the ability of a subsidiary or subsidiary entity of the relevant corporation to transfer funds to the relevant corporation in the form of cash dividends, loans or advances, and the impact such restriction have had or are expected to have on the ability of the relevant corporation to meet its cash obligations;
(c) the level of borrowings as at the end of the most recent completed financial year or, if interim financial statements have been included, the interim period, the extent to which the borrowings are at a fixed rate and the maturity profile of the borrowings and committed borrowings facility, with a description of any restriction on its use.

(10) Explanatory Note: The amendments to paragraphs 1 to 5 are proposed for clarity.

6. Provide information on the use of any financial instrument for hedging purposes.

7. Provide information on any material commitment for capital expenditures as of the latest practicable date and indicate the general purpose of such commitment and the anticipated source of funds needed to fulfil such commitment.

Research and Development

8. Provide a description of material research and development policies of the relevant corporation for the 3 most recent completed financial years, including the amount spent in each of those years on research and development activities.

Trend Information and Profit Forecast or Profit Estimate

9. Discuss, for at least the current financial year, the business and financial prospects, the most significant recent trends in production, in sales and inventory, and in the costs and selling prices of products and services, and the state of the order book, since the end of the most recent completed financial year for which financial statements have been provided under Part IX of this Schedule, as well as any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the prospectus to be not necessarily indicative of future operating results or financial condition. If there is no such trend, provide an appropriate statement stating to that effect.

10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to
achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.

11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors of the relevant corporation have based their profit forecast or profit estimate, as the case may be.

12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant corporation as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant corporation, and is presented in accordance with the accounting standards adopted by the relevant corporation in the preparation of its financial statements.

13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant corporation, provide in addition to the statement referred to in paragraph 12 of this Part —

(a) a statement by the issue manager of the offer or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors of the relevant corporation after due and careful enquiry and consideration; or

(b) a statement by an auditor of the relevant corporation, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant corporation, provide in addition to the statement referred to in paragraph 12 of this Part —

(a) a statement by the issue manager of the offer or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
PART VII

SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY EXECUTIVES AND EMPLOYEES

Directors and Key Executives

1. Provide the following information with respect to the directors and key executives of the relevant corporation and any employee of the group, such as a scientist, researcher or designer, upon whose work the relevant corporation is dependent:

   (a) name, details of past working experience, educational and professional qualification, if any, and areas of responsibility in the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, in the group, or, if the relevant corporation is the holding company of a pro forma group, in the pro forma group;

   (b) any principal business activity performed outside the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, the group, or, if the relevant corporation is the holding company of a pro forma group, the pro forma group, and any present principal directorship or principal directorship in the last 5 years other than directorship in the relevant corporation;

   (c) age;

   (d) the nature of any family relationship—
(i) between any of the persons named above; or

(ii) between any of the persons named above and any substantial shareholder of the relevant corporation;

(e) any arrangement or understanding with a substantial shareholder, customer or supplier of the relevant corporation or other person, pursuant to which any person referred to above was selected as a director or key executive of the relevant corporation.

**Management Reporting Structure**

2. Provide the management reporting structure of the relevant corporation.

**Interest in Shares**

3. Provide the names of each substantial shareholder and director and the chief executive officer of the relevant corporation, and state the number and percentage of shares of each class in which each of them has interest, whether direct or deemed under section 4 of the Act, as of the latest practicable date and immediately after the offer. Where the deemed interest in the shares of the relevant corporation is held through another corporation the shares of which are listed for quotation or quoted on a securities exchange or overseas securities exchange, that deemed interest may be excluded. Disclose any significant change in the percentage of ownership in the last 3 years prior to the latest practicable date.

(12) **Explanatory Note:** Given that only listed securities will be subject to continuous disclosure requirements, the words “or quoted” have been deleted. Accordingly, where the deemed interest in the shares of the relevant corporation is held through another corporation the shares of which are merely quoted (and not listed) on a securities exchange or overseas securities exchange, that deemed interest will have to be disclosed.

4. Indicate whether the shares in which the persons referred to in paragraph 3 of this Part have interests, carry different voting rights from those shares which are the subject of the being offered, or provide an appropriate negative statement.

5. To the extent known to the relevant corporation, state whether the relevant corporation is directly or indirectly owned or controlled by, whether severally or
jointly, another corporation, any person or government or other natural or legal person, whether severally or jointly, and if so, give the name of such person or corporation, government or person, and briefly describe the nature of such control, including the amount and proportion of capital held giving a right to vote.

(13) Explanatory Note: The amendments to paragraphs 4 and 5 are proposed for clarity.

6. Disclose any contractual undertaking provided by any party to observe a moratorium on the transfer or disposal of his interest, within the meaning of section 4 of the Act, in the shares of the relevant corporation.

7. Describe any known arrangement the operation of which may, at a subsequent date, result in a change in control of the relevant corporation.

Material Background Information

8. Disclose the following matters concerning a director, key executive or controlling shareholder of the relevant corporation, if material in the context of the offer:

(a) whether at any time during the last 10 years, a petition under any bankruptcy laws of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;

(b) whether at any time during the last 10 years, a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or key executive or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive, for the winding up or dissolution of that entity or where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

(c) whether there is any unsatisfied judgment against him;

(d) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment for 3 months or more, or has been the subject of any criminal
proceedings (including any pending criminal proceedings which he is aware of) for such purpose;

(e) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or been the subject of any criminal proceedings (including any pending criminal proceedings which he is aware of) for such breach;

(f) whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings which he is aware of) involving an allegation of fraud, misrepresentation or dishonesty on his part;

(g) whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any corporation or business trust;

(h) whether he has ever been disqualified from acting as a director or equivalent person of any corporation (including the trustee of a business trust), or from taking part directly or indirectly in the management of any corporation or business trust;

(i) whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(j) whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of —

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(iv) any corporation or partnership entity, or any business trust, which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the corporation or partnership entity or business trust.

(14) Explanatory Note: The amendments to paragraph 8 are proposed mainly to extend the scope of disclosure to cover material information in relation to non-incorporated entities and trusts.

Compensation for Services

9. Disclose, in bands of up to $250,000 —

(a) the amount of compensation paid by the relevant corporation or its subsidiary or subsidiary entity for each of the 2 most recent completed financial years; and

(b) the estimated amount of compensation paid and to be paid by the relevant corporation or its subsidiary or subsidiary entity for the whole of the current financial year,

to —

(i) each director of the relevant corporation; and

(ii) each of the top 5 (in terms of amount of compensation) key executives (not being directors of the relevant corporation) of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, of the group, or, if the relevant corporation is the holding company of a pro forma group, of the pro forma group,
for services rendered by such a person in all capacities to the relevant corporation or its related corporation or related entity.

10. For the purpose of paragraph 9 of this Part —

(a) compensation includes any benefit in kind; and

(b) compensation that has already been paid includes any deferred compensation accrued for the financial year in question and payable at a later date.

11. For the purposes of paragraph 9 (b) of this Part, any estimated amount of compensation that is to be paid pursuant to a bonus or profit-sharing plan or any other profit-linked agreement or arrangement, but which has not yet been paid, may be excluded from the calculation of the estimated amount of compensation in respect of the whole of the current financial year, provided that that fact is stated.

12. If any portion of the compensation was paid or is to be paid pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement, identify the person to whom such compensation was or is to be paid and briefly describe such plan, agreement or arrangement and the basis of such person’s participation in the plan, agreement or arrangement.

13. If any portion of the compensation was paid or is to be paid in the form of stock options, identify the persons to whom such compensation was or is to be paid and provide the description and number of shares covered by the options, the exercise price, the option purchase price (if any), the period during which the options are exercisable and the expiration date of the options.

14. State the total amounts set aside or accrued by the relevant corporation or its subsidiary or subsidiary entity to provide pension, retirement or similar benefits, if any.

15. Provide details of any existing or proposed service contract entered into by the directors of the relevant corporation with the relevant corporation or its subsidiary or subsidiary entity, which provide for benefits upon termination of employment, or an appropriate negative statement.

16. For a service contract referred to in paragraph 15 of this Part with a fixed term, state the term of each such contract, the unexpired term and the name of the relevant director.
**Board Practices**

17. With respect to each of the directors of the relevant corporation, state the date of expiration of the current term of office, if applicable, and the period for which the person has served in that office.

18. In respect of the current financial year, provide details relating to the relevant corporation’s audit committee, remuneration committee and nomination committee, if any, including the names of committee members and a summary of the terms of reference under which each committee operates.

**Employees**

19. Provide either —

   (a) the average number of employees of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, of the group, or, if the relevant corporation is the holding company of a pro forma group, of the pro forma group, for each of the 3 most recent completed financial years (and any change in the number of such employees, if material); or

   (b) the number of employees of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, of the group, or, if the relevant corporation is the holding company of a pro forma group, of the pro forma group, as at the end of each of the 3 most recent completed financial years (and any change in the number of such employees, if material),

and, if possible, a breakdown of persons employed by activity and geographic location. Disclose information regarding the relationship between management and labour unions. If the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, the group, or, if the relevant corporation is the holding company of a pro forma group, the pro forma group, employs a significant number of temporary employees, disclose the average number of temporary employees in respect of the most recent completed financial year.
Share Options

20. Unless otherwise disclosed pursuant to paragraphs 9 and 13 of this Part (Compensation for Services), provide information as to the options on the shares of the relevant corporation granted to each of the directors and the chief executive officer of the relevant corporation, including the description and number of shares covered by the options; the exercise price; the option purchase price (if any); the period during which the option is exercisable; and the expiration date of the options.

21. Describe any arrangement which involves the employees of the relevant corporation and, if the relevant corporation is a holding company, the directors or employees of a subsidiary, subsidiary entity, or associated company or associated entity of the relevant corporation, in the capital of the relevant corporation, including any arrangement that involves the issue or grant of options or shares or any other securities of the relevant corporation.

(15) Explanatory Note: The amendments to paragraphs 9, 14, 15 and 21 are proposed mainly as a consequence to the replacement of the reference to “corporation” with reference to “entity” in Division 1 of Part XIII of the SF(A) Bill and the introduction of new terms for non-incorporated entities.

PART VIII
INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTERESTS

Interested Person Transactions

1. Provide the following information with respect to each transaction or loan, or proposed transaction or loan, for the period starting from the beginning of the period of the 3 most recent completed financial years and ending on the latest practicable date, between the entity at risk and an interested person of the relevant corporation, which are material in the context of the offer:

(a) the nature of the transaction and the quantum involved; and

(b) the amount of the loan (including a guarantee of any kind) made by the entity at risk or interested person to or for the benefit of the interested person or entity at risk respectively; the information provided must include the largest amount outstanding during the period covered, the amount
outstanding as at the latest practicable date, the nature of the loan and the transaction in which it was incurred, and the interest rate on the loan.

2. For each transaction referred to in paragraph 1 of this Part —

(a) that has been completed or will be completed at or before the close of the offer or invitation, disclose whether or not the transaction has been or will be carried out on an arm’s length basis;

(b) that will continue after the close of the offer or invitation, disclose —

   (i) whether or not the transaction has been carried out on an arm’s length basis; and

   (ii) the procedure undertaken or which will be undertaken to ensure that such transaction will be carried out on an arm’s length basis; or

(c) that has been proposed, disclose the procedure which will be undertaken to ensure that such transaction will be carried out on an arm’s length basis.

2A. For each loan referred to in paragraph 1 of this Part —

(a) that has been repaid or will be repaid at or before the close of the offer or invitation, disclose whether or not the loan was made on an arm’s length basis;

(b) that is to be repaid, whether partly or wholly, after the close of the offer or invitation, disclose —

   (i) whether or not the loan was made on an arm’s length basis; and

   (ii) when the loan is intended or required to be repaid; or

(c) that has been proposed, disclose the procedure which will be undertaken to ensure that such loan will be made on an arm’s length basis.

2B. Where transactions or loans between the entity at risk and an interested person of the relevant corporation are similar and recurring in nature or could otherwise be grouped in a meaningful manner, the information required with respect to the transactions or loans in paragraphs 1, 2 and 2A of this Part should be provided on
an aggregate basis, if the aggregate of these transactions or loans are material in the context of the offer.

(16) Explanatory Note: The proposed new paragraph 2B is to clarify that where transactions or loans between the entity at risk and an interested person of the relevant corporation are similar and recurring in nature, the information required in paragraphs 1, 2 and 2A of this Part shall be provided on an aggregate basis, if the aggregate of these transactions or loans are material in the context of the offer.

MAS seeks your comments on the proposed requirement to require disclosure of transactions or loans on an aggregate basis.

Conflicts of Interest

3. Where a director or controlling shareholder of the relevant corporation or his associate has an interest in any other corporation entity carrying on the same business or dealing in similar products as the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, as the group, or, if the relevant corporation is the holding company of a pro forma group, as the pro forma group, disclose —

(a) the name of that other corporation entity;

(b) the name of the director or controlling shareholder involved;

(c) the nature and extent of his interest in that other corporation entity and the extent to which he is involved in the management of that other corporation entity either directly or indirectly; and

(d) whether any conflict of interest thereby arising has been or is to be resolved or mitigated and if so, how it has been or is proposed to be resolved or mitigated.

Interests of Experts

4. If an expert named in the prospectus —

(a) is employed on a contingent basis by the relevant corporation or its subsidiary or subsidiary entity;
(b) has a material interest, whether direct or indirect, in the shares of the relevant corporation or its subsidiary, or in the equity interests of its subsidiary entity; or

(c) has a material economic interest, whether direct or indirect, in the relevant corporation, including an interest in the success of the offer,

describe the nature and terms of such contingency or interest.

**Interests of Underwriters or Financial Advisers**

5. If, in the reasonable opinion of the directors, any underwriter or other financial adviser in relation to the offer has a material relationship with the relevant corporation, describe the nature and terms of such relationship.

**PART IX**

**FINANCIAL INFORMATION**

1. Where the relevant corporation has engaged auditors other than its own auditors in relation to any requirement under this Part, any reference to “auditor” or “auditors” in this Part shall include the first-mentioned auditors.

**Audited Financial Information**

2. Provide —

   (a) the annual financial statements of the relevant corporation or, if the relevant corporation is a holding company, its annual consolidated financial statements, for the 3 most recent completed financial years or, where the relevant corporation has been in existence for less than 3 completed financial years, for each of the financial years during which it has been in existence; and

   (b) if —

      (i) the relevant corporation is the holding company of a group and has been incorporated for less than 3 completed financial years; and
(ii) the absolute amount of the net assets (liabilities) or profit (loss) before tax stated in the annual consolidated financial statements of a company which was the holding company of the group immediately before the relevant corporation became the holding company (referred to in this paragraph as the previous holding company) accounted for 75% or more of the absolute amount of the net assets (liabilities) or profit (loss) before tax of the pro forma group as stated in the pro forma group financial statements referred to in paragraph 11 of this Part.

the annual consolidated financial statements of the previous holding company for the 3 most recent completed financial years, excluding such financial statements for any financial year for which annual consolidated financial statements of the relevant corporation are provided under sub-paragraph (a).

(17) Explanatory Note: Paragraph 2 of Part IX currently requires the audited consolidated financial statements of the previous holding company (“PHC”) to be provided if the absolute amount of the net assets (liabilities) or profit (loss) before tax stated in such consolidated financial statements of the PHC accounted for 75% or more of the absolute amount of the net assets (liabilities) or profit (loss) before tax of the pro forma group. The purpose of requiring audited financial information to be provided is to give investors reasonable assurance that the financial information included in the prospectus is free from material mis-statement.

Many practitioners, however, have commented that the requirement for PHC’s accounts does not cater for “spin-off” situations where the PHC is also the holding company for many significant subsidiaries which are not transferred to the listing group. The current framework also does not take into account situations where the PHC is incorporated in a jurisdiction which does not require financial statements of companies to be audited.

In view of the problems associated with the requirement for PHC accounts, MAS proposes to abolish the requirement and instead, require the financial statements or consolidated financial statements used in the preparation of the pro forma financial statements to be audited if the absolute amount of the net assets (liabilities) or profit (loss) before tax stated in such financial statements or consolidated financial statements account for 10% or more of the absolute amount of the net assets (liabilities) or profit (loss) before tax of the pro forma group (see new paragraph 18A below).
MAS seeks your comments on the proposal –

(a) to remove the requirement for audited accounts of the previous holding company to be provided in the prospectus; and

(b) to require financial statements or consolidated financial statements used in the preparation of the pro forma financial statements to be audited (see proposed paragraph 18A)

3. The annual financial statements to be provided under paragraph 2 of this Part must be statements —

(a) prepared in accordance with the Singapore Statements of Accounting Standards (SAS), Financial Reporting Standards (FRS), International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), or US Generally Accepted Accounting Principles (US GAAP), or such other accounting standards as may be approved in any particular case by the Authority; or

(b) in a case where such annual financial statements were not prepared in accordance with the accounting standards referred to in sub-paragraph (a), re-stated in accordance with any of the accounting standards referred to in that sub-paragraph (a); or

(c) in a case where the statements are not prepared in accordance with any of the accounting standards referred to in sub-paragraph (a) but where no material adjustments are required to re-state the annual financial statements in accordance with any of the accounting standards referred to in sub-paragraph (a), accompanied by an opinion from the auditors that no material adjustments would be required to re-state the annual financial statements to be in accordance with the FRS, IFRS or US GAAP, as the case may be; or

(d) prepared in accordance with such other body of accounting standards as may be approved in any particular case by the Authority.
(18) **Explanatory Note:** The amendments proposed to paragraph 3 are to clarify that the annual financial statements or consolidated financial statements of the relevant corporation need not be prepared, or re-stated, in accordance with any of the prescribed accounting standards if no material adjustments will be required to re-state such financial statements in accordance with the prescribed accounting standards and an opinion from the auditors confirming so has been included in the prospectus.

MAS will be issuing the Securities and Futures (Offers of Investments) (Exemption from prescribed accounting and auditing standards) Regulations shortly as an interim measure to give effect to MAS’ policy intent to grant the exemption, pending the implementation of the proposed amendments.

3A. State, in respect of each financial year, the body of accounting standards that was adopted by the relevant corporation in the preparation of the annual financial statements provided under paragraph 2 of this Part and where annual financial statements have been re-stated pursuant to paragraph 3(b) of this Part, the body of accounting standards in accordance with which the underlying financial statements have been restated.

4. The annual financial statements to be provided under paragraph 2 of this Part must be audited, except where they have been re-stated pursuant to paragraph 3(b) of this Part, in which case the annual financial statements which form the basis for the re-stated annual financial statements—underlying financial statements—must be audited. For at least the most recent completed financial year, the annual financial statements to be provided under paragraph 2 of this Part or, in the case where annual financial statements have been re-stated pursuant to paragraph 3(b) of this Part, the underlying financial statements, must be audited in accordance with—

(a) the Singapore Standards on Auditing (SSA), International Standards on Auditing (ISA), or US Generally Accepted Auditing Standards (US GAAS), or such other auditing standards as may be approved in any particular case by the Authority;

(b) such auditing standards which are not materially different from any of the auditing standards referred to in sub-paragraph (a) to the extent applicable in the audit of those annual financial statements; or

(c) such other body of auditing standards as may be approved in any particular case by the Authority.
and if the most recent completed financial year is for a period that is less than 6
months, the annual financial statements or the underlying financial statements in
respect of the financial year preceding the most recent completed financial year
must also be audited in accordance with any of those auditing standards referred
to in sub-paragraphs (a), (b) and (c).

(19) **Explanatory Note:** The amendments to paragraph 4 are proposed to clarify
that the annual financial statements or consolidated financial statements of
the relevant corporation may be audited in accordance with auditing standards which are not materially different from any of the prescribed
auditing standards to the extent applicable in the audit of those annual financial statements. This, however, is subject to the condition that the
prospectus includes an opinion from the auditors confirming so (see
proposed new paragraph 5A below).

MAS will be issuing the Securities and Futures (Offers of Investments)
(Exemption from prescribed accounting and auditing standards) Regulations
shortly as an interim measure to give effect to MAS’ policy intent, pending
the implementation of the proposed amendments.

5. State, in respect of each financial year, whether the annual financial statements
to be provided under paragraph 2 of this Part are audited in accordance with
the body of auditing standards referred to in paragraph 4 of this Part that was adopted
by the auditors of the relevant corporation in the audit of the annual financial
statements provided under paragraph 2 of this Part or, in the case where annual
financial statements have been re-stated pursuant to paragraph 3(b) of this Part, the
underlying financial statements.

5A. Where the annual financial statements to be provided under paragraph 2 of
this Part or, in the case where annual financial statements have been re-stated
pursuant to paragraph 3(b) of this Part, the underlying financial statements, are
audited in accordance with auditing standards referred to in paragraph 4(b) of this
Part, include in the prospectus an opinion from the auditors of the relevant
corporation that there are no material differences between the auditing standards
adopted by them in the audit of the annual financial statements, or the underlying
financial statements, as the case may be, and the SSA, ISA or US GAAS to the
extent applicable in the audit of those annual financial statements or underlying
financial statements.
6. Where the annual financial statements to be provided under paragraph 2 of this Part are have been re-stated pursuant to paragraph 3 (b) of this Part, state that fact and include in the prospectus —

   (a) an opinion from the auditors of the relevant corporation that nothing has come to their attention that causes them to believe that the re-stated annual financial statements have not been properly re-stated in all material respects in accordance with any of the accounting standards referred to in paragraph 3 (a) of this Part;

   (b) a statement of reconciliation from the re-stated annual financial statements to the audited annual financial statements which form the basis for the re-stated annual financial statements; and

   (c) a statement that copies of the audited annual financial statements, which form the basis for the re-stated annual financial statements, are available for inspection at a specified place in Singapore for a period of at least 6 months from the date of registration of the prospectus by the Authority.

7. The annual financial statements to be provided under paragraph 2 of this Part shall be accompanied by —

   (a) the audit reports of those annual financial statements; or,

   (b) where the annual financial statements have been re-stated pursuant to paragraph 3-(b) of this Part, —

      the audit reports of those annual financial statements which form the basis for the re-stated annual financial statements.

      (i) a statement that the underlying financial statements have been audited;

      (ii) an identification of the auditors who audited the underlying financial statements, together with their memberships in a professional body. For the avoidance of doubt, where the underlying financial statements in respect of one or more financial years were audited by different auditors, identify all such auditors;
(iii) a statement that the audit reports for the underlying financial statements do not contain any material qualification. If any of the audit reports contains any material qualification, modification or disclaimer, reproduce such qualification, modification or disclaimer in full in the prospectus and provide the reason for such material qualification, modification or disclaimer, as the case may be; and

(iv) a statement that the auditor for the underlying financial statements has given and not withdrawn his written consent to the issue of the prospectus with the inclusion of the statements referred to in sub-paragraphs (i), (ii) and (iii) above in the form and context in which they are included in the prospectus.

In addition, provide the following if they are not already included in the annual financial statements provided under paragraph 2 of this Part or, in the case where annual financial statements have been re-stated pursuant to paragraph 3(b) of this Part, the restated annual financial statements:

(a) a note analyzing the changes in each item of shareholders’ equity presented in the balance sheet; and

(b) a statement showing either —

(i) all changes in equity; or

(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

(20) Explanatory Note: In the case where financial statements have been re-stated pursuant to paragraph 3(b) of this Part, the audit reports of the annual financial statements which form the basis for the re-stated financial statements (underlying financial statements”) are currently required to be provided in the prospectus. This is to ensure that the auditors of the underlying financial statements will be liable for the audit opinion stated therein.

Some practitioners have, however, commented that they are unable to separate the audit report from the corresponding financial statements. As a result, both the re-stated financial statements and underlying financial statements have to be included in the prospectus.
In view of the above, MAS proposes to remove the requirement for the audit reports of the underlying financial statements to be included. Instead, the re-stated financial statements will need to be accompanied by information set out in proposed new sub-paragraphs (b)(i) to (iv) above.

MAS seeks your views on the proposal to remove the requirement for audit reports of the underlying financial statements to be included and to provide, in its place, the information set out in proposed new sub-paragraphs (b)(i) to (iv) above.

8. Identify the auditors who audited the annual financial statements referred to in paragraph 2 of this Part, together with their memberships in a professional body. For the avoidance of doubt, where the annual financial statements referred to in paragraph 2 of this Part in respect of one or more financial years were audited by different auditors, identify all such auditors.

9. If the auditors referred to in paragraph 8 of this Part had refused to issue an audit report on any of the annual financial statements provided under paragraph 2 of this Part, or if any of the audit reports referred to in paragraph 7(a) of this Part contains any material qualification, modification or disclaimer, highlight such refusal or such qualification, modification or disclaimer in the prospectus and provide the reason for it.

10. The most recent audited financial statements included in the prospectus shall be made up to a date not earlier than 12 months before the date of lodgment of the prospectus.

10A. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, annual financial statements for the most recent completed financial year need not be provided under paragraph 2 of this Part, and a reference to the most recent completed financial year in paragraphs 2 and 4 of this Part shall be a reference to the financial year preceding the most recent completed financial year.
(21) Explanatory Note: The proposed new paragraph 10A is to clarify that where the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, audited financial statements for the most recent completed financial year would not need to be included. Issuers should however ensure that the requirement in paragraph 10 is complied with.

10B. In paragraphs 3 to 9 of this Part, the reference to “annual financial statements” shall include a reference to annual consolidated financial statements referred to in paragraph 2 of this Part.

10C. In paragraphs 4 to 7 of this Part, “underlying financial statements” means the annual financial statements that form the basis for the re-stated annual financial statements.

Pro forma Financial Information

11. Provide, in addition to the annual financial statements required under paragraph 2 of this Part, annual consolidated profit and loss statements, annual consolidated cash flow statement and consolidated balance sheet, the annual consolidated financial statements of the pro forma group, in each of the following cases:

(a) where the relevant corporation has been in existence for less than 3 completed financial years; or

(b) where there has been a material change to the structure of the group during the period starting from the beginning of the period comprising the 3 most recent completed financial years and ending on the date of lodgment registration of the prospectus by the Authority.

12. The annual consolidated profit and loss statements of the pro forma group referred to in paragraph 11 of this Part shall be prepared —

(a) in a case where none of the entities of the pro forma group, the financial statements of which were used in the preparation of the pro forma financial statements, was in existence at the beginning of the period comprising the 3 most recent completed financial years, for every financial year of the pro forma group, from the financial year in which financial statements were first
prepared for any of those entities to the most recent completed financial year; or

(b) in any other case, for the 3 most recent completed financial years,

except for the financial years corresponding with the same period of time for which the annual profit and loss statements of the relevant corporation have been included in the prospectus under paragraph 2 of this Part.

(22) **Explanatory Note:** The proposed amendments to paragraph 12 are to clarify that pro forma profit and loss statements need not be prepared for a particular financial year if audited financial statements or consolidated financial statements of the relevant corporation for the same corresponding time period have been included in the prospectus under paragraph 2. Where the time period is different (for example, if the audited financial statements is provided for a 15-month period instead of a 12-month period), pro forma profit and loss statements for that particular financial year will still have to be prepared and included in the prospectus.

13. The annual consolidated cash flow statement of the pro forma group referred to in paragraph 11 of this Part shall be for the most recent completed financial year shall be included in the prospectus, unless the annual cash flow statement of the relevant corporation for the most recent completed financial year corresponding with the same period of time has been included in the prospectus under paragraph 2 of this Part.

13A. The consolidated balance sheet of the pro forma group referred to in paragraph 11 of this Part as at the end of the most recent completed financial year shall be included in the prospectus, unless the annual balance sheet of the relevant corporation as at the end of the most recent completed financial year has been included in the prospectus under paragraph 2 of this Part.

(23) **Explanatory Note:** The proposed requirements in paragraph 13 have been split into two provisions for clarity. The requirements have also been modified to clarify that in a case where audited cash flow statements or consolidated cash flow statements of the relevant corporation for the same time period have been included in the prospectus, the relevant cash flow statements of the pro forma group would not need to be prepared.
Similarly, where audited balance sheet or consolidated balance sheet of the relevant corporation as at the end of the required financial period has been provided, the relevant balance sheet of the pro forma group would not need to be included in the prospectus.

14. The pro forma profit and loss statement must illustrate what the financial results of the group would have been for each financial year in the period specified in paragraph 12 (a) or (b) of this Part, as the case may be, if the group structure as of the date of registration of the prospectus had been in place since the beginning of that period.

15. The pro forma cash flow statement must illustrate what the cash flows of the group would have been for the most recent completed financial year if the group structure as of the date of registration of the prospectus had been in place since the beginning of that financial year.

15A. The pro forma balance sheet must illustrate what the financial position of the group would have been as at the end of the most recent completed financial year if the group structure as of the date of registration of the prospectus had been in place on that date.

16. In respect of the pro forma financial statements required under paragraph 11 of this Part, state —

(a) that they are prepared for illustrative purposes only and based on certain assumptions after making certain adjustments to show what —

(i) the financial results of the group would have been for each financial year in the period specified in paragraph 12 (a) or (b) of this Part, as the case may be, if the group structure as of the date of registration of the prospectus had been in place since the beginning of that period;

(ii) the cash flows of the group would have been for the most recent completed financial year if the group structure as of the date of registration of the prospectus had been in place since the beginning of that financial year; and

(iii) the financial position of the group would have been as at the end of the most recent completed financial year if the group structure as of
the date of registration of the prospectus had been in place on that date;

(b) that because of their nature, they may not give a true picture of the group’s actual financial position or results;

(c) the basis upon which they are prepared, and the source of each item of information; and

(d) any material adjustment made to any information used in the preparation of the pro forma financial statements and the reason for it.

17. Provide details of any transfer to and from any reserve in respect of the most recent completed financial year if the transfer is not reflected in the pro forma results for that financial year.

18. With respect to the pro forma financial statements —

(a) identify the entities within the pro forma group;

(b) provide a statement that the pro forma financial statements included in the prospectus has been properly prepared from —

(i) financial statements of entities or consolidated financial statements of groups of entities in the pro forma group; and

(ii) where any entity or group of entities in the pro forma group has acquired any business divisions, assets or undertakings from another entity or group of entities -

(A) financial statements of such business divisions, assets or undertakings; or

(B) financial statements of entities or consolidated financial statements of groups of entities from whom such business divisions or assets and undertakings were acquired;
(24) Explanatory Note: The amendments to sub-paragraph (b) are proposed mainly to reflect MAS’ intention to allow consolidated financial statements of groups of entities in the pro forma group to be used for the preparation of the pro forma financial statements.

In addition, MAS recognises that there could be situations where business divisions, assets or undertakings are sold or transferred to an entity or group of entities in the pro forma group from other parties as part of the group restructuring exercise undertaken in conjunction with the relevant corporation’s proposed initial public offer. Amendments have accordingly been made to sub-paragraph (b) to cater for such situations.

(c) provide a statement that—

(i) that the financial statements of each entity or consolidated financial statements referred to in paragraph 18(b) used in the preparation of the pro forma financial statements were —

(A) prepared in accordance with the SIFRS, IASIFRS or, US GAAP, or such other accounting standards as may be approved in any particular case by the Authority; or

(B) in a case where such financial statements were not prepared in accordance with the accounting standards referred to in sub-paragraph (i), re-stated in accordance with any of the accounting standards referred to in that sub-paragraph (A); or

(C) prepared in accordance with such other body of accounting standards as may be approved in any particular case by the Authority; or

(ii) in a case where any financial statements or consolidated financial statements referred to in paragraph 18(b) used in the preparation of the pro forma financial statements are not prepared in accordance with any of the accounting standards referred to in sub-paragraph (i)(A) but where no material adjustments are required to re-state the financial statements or consolidated financial statements in accordance with any of such accounting standards, that no material adjustments would be required to re-state such financial statements or consolidated
financial statements to be in accordance with the FRS, IFRS or US GAAP, as the case may be; and

(25) **Explanatory Note:** The proposed new sub-paragraph (c) is to clarify that the financial statements or consolidated financial statements used to prepare the pro forma financial statements need not be re-stated in accordance with any of the prescribed accounting standards if no material adjustments are required to re-state such financial statements in accordance with the prescribed accounting standards. This will be subject to the condition that the prospectus includes an opinion from the auditors confirming so (see amended paragraph 20 below).

MAS will be issuing the Securities and Futures (Offers of Investments) (Exemption from prescribed accounting and auditing standards) Regulations shortly as an interim measure to give effect to MAS’ policy intent to grant the exemption, pending the implementation of the proposed amendments.

(d) state, in respect of each financial statements or consolidated financial statements referred to in paragraph 18(b) used in the preparation of the pro forma financial statements, the body of accounting standards that was adopted by the entity or group of entities in the preparation of such financial statements or consolidated financial statements or, in the case where financial statements or consolidated financial statements have been re-stated pursuant to sub-paragraph (c)(i)(B), the body of accounting standards in accordance with which the financial statements or consolidated financial statements have been restated.

(c) for any entity which individually account for 10% or more of the net assets (liabilities) or profit (loss) before tax stated in the pro forma financial statements, identify the auditors of the entity who audited such entity’s financial statements which were used in the preparation of the pro forma financial statements or, if any of the financial statements of such entity have not been audited, state that fact; and

(d) if the auditors referred to in sub-paragraph (c) had refused to issue an audit report on any of the financial statements of an entity which were used in the preparation of the pro forma financial statements or if any of the audit reports contains any material qualification, modification or disclaimer, reproduce such refusal, qualification, modification or disclaimer in full in the prospectus and provide the reason for it.
18A. The financial statements or consolidated financial statements referred to in paragraph 18(b) used in the preparation of the pro forma financial statements shall be audited, unless the absolute amount of the net assets (liabilities) or profit (loss) before tax stated in such financial statements or consolidated financial statements, account for less than 10% of the absolute amount of the net assets (liabilities) or profit (loss) before tax of the pro forma group, or under such other circumstances as may be approved in any particular case by the Authority.

18B. The financial statements or consolidated financial statements referred to in paragraph 18A of this Part must be audited in accordance with -

(a) the SSA, ISA or US GAAS;

(b) such auditing standards which are not materially different from any of the auditing standards referred to in sub-paragraph (a) to the extent applicable in the audit of those financial statements; or

(c) such other body of auditing standards as may be approved in any particular case by the Authority.

18C. In respect of the financial statements or consolidated financial statements referred to in paragraph 18A of this Part –

(a) state the body of auditing standards that was adopted by the auditors in the audit of the financial statements or consolidated financial statements;

(b) identify the auditors who audited the financial statements or consolidated financial statements, together with their memberships in a professional body. For the avoidance of doubt, where financial statements or consolidated financial statements in respect of one or more financial years were audited by different auditors, identify all such auditors; and

(c) in a case where the financial statements or consolidated financial statements are audited in accordance with auditing standards referred to in paragraph 18B(b) of this Part, include in the prospectus an opinion from the auditors that there are no material differences between the auditing standards adopted by them in the audit of the financial statements or consolidated financial statements and the SSA, ISA or US GAAS to the extent applicable in the audit of those financial statements.
19. Include, in the prospectus,

an opinion from the auditors as to whether the pro forma financial statements
have been properly prepared in a manner consistent with both the
format of the financial statements and the accounting policies of the
relevant corporation

(a) a statement that the financial statements or consolidated financial
statements referred to in paragraph 18A of this Part which form the
basis of preparation of the pro forma financial statements have been
audited;

(b) a statement that the audit reports for the financial statements or
consolidated financial statements referred to in paragraph 18A of this
Part do not contain any material qualification. If any of the audit
reports contains any material qualification, modification or disclaimer,
reproduce such qualification, modification or disclaimer in full in the
prospectus and provide the reason for such qualification, modification
or disclaimer, as the case may be; and

(c) a statement that the auditor for the financial statements or
consolidated financial statements referred to in paragraph 18A of this
Part has given and not withdrawn his written consent to the issue of
the prospectus with the inclusion of the statements referred to in sub-
paragraphs (a) and (b) above in the form and context in which they are
included in the prospectus.

(26) Explanatory Note: As mentioned earlier, MAS proposes to require financial
statements or consolidated financial statements used in the preparation of the
pro forma financial statements to be audited in accordance with the
prescribed auditing standards if the absolute amount of the net assets (liabilities) or profit (loss) before tax stated in such financial statements or
consolidated financial statements account for 10% or more of the absolute
amount of the net assets (liabilities) or profit (loss) before tax of the pro
forma group.

The proposed new paragraphs 18A, 18B and 18C and proposed amendments
to paragraph 19 are for the purposes of reflecting such proposal.
MAS seeks your comments on the proposed requirements set out in paragraphs 18A, 18B, 18C and 19.

20. Include, in the prospectus, an opinion from the auditors of the relevant corporation that —

(a) the pro forma financial statements have been properly prepared on the basis stated in paragraph 16 (c) of this Part and in accordance with paragraphs 18 (b) and (c), 18A and 18B of this Part; and

(b) each material adjustment made to the information used in the preparation of the pro forma financial statements is appropriate for the purpose of preparing such financial statements.

21. The most recent pro forma financial statements to be provided under paragraph 11 of this Part shall be made up to a date not earlier than 12 months before the date of lodgment of the prospectus.

22. Where the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, any entity within the group, or, if the relevant corporation is the holding company of a pro forma group, any entity within the pro forma group, has entered into any agreement to acquire or dispose of one or more assets (including any entity) and —

(a) the net book value or the absolute amount of the profit (loss) before tax of any of these assets accounted for 10% or more of the absolute amount of the net assets (liabilities) or profit (loss) before tax respectively, of the relevant corporation or the group or pro forma group, as the case may be, in respect of any of the 3 most recent completed financial years; or

(b) the net book value or the absolute amount of the profit (loss) before tax of all of these assets together accounted for 20% or more of the absolute amount of the net assets (liabilities) or profit (loss) before tax respectively, of the relevant corporation, the group or the pro forma group, as the case may be, in respect of any of the 3 most recent completed financial years,

and such acquisition or acquisitions, or disposal or disposals, have not been completed as of the date of lodgment of the prospectus before the end of the most recent completed financial year, state —
(i) in respect of each of the 3 most recent completed financial years, the financial effect of the acquisition or acquisitions, or disposal or disposals, on the earnings (loss) per share; and

(ii) in respect of the end of the most recent completed financial year, the financial effect of the acquisition or acquisitions, or disposal or disposals, on the net tangible assets (liabilities) per share,

of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, of the group, or, if the relevant corporation is the holding company of a pro forma group, of the pro forma group.

(27) **Explanatory Note:** The amendments to paragraph 22 are proposed mainly to clarify that the requirements contained therein should apply to acquisitions or disposals which have not been completed before the end of the most recent completed financial year (and hence, financial effects of such acquisitions or disposals are not reflected in the annual financial statements provided).

23. In respect of the financial effects referred to in paragraph 22 (i) and (ii) of this Part, state —

(a) that they are prepared for illustrative purposes only and based on certain assumptions after making certain adjustments;

(b) that because of their nature, they may not give a true picture of the actual earnings (loss) per share or net tangible assets (liabilities) per share of the relevant corporation, group or pro forma group, as the case may be;

(c) the basis and any assumption upon which they are prepared, and the source or sources of information used in their computation; and

(d) any material adjustment made to the information used in the computation and the reason for it.

24. Include, in the prospectus, an opinion from the auditors that —

(a) the financial effects referred to in paragraph 22 (i) and (ii) of this Part have been properly computed on the basis stated in paragraph 23 (c) of this Part; and
(b) each material adjustment made to the information used in the computation of the financial effects is appropriate for the purpose of such computation.

24A. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, the annual financial statements for the most recent completed financial year need not be provided under paragraph 11 of this Part, in which case, the reference to the most recent completed financial year in paragraphs 11 to 13A, paragraphs 15 to 17 and paragraph 22 of this Part shall be a reference to the financial year preceding the most recent completed financial year.

(28) Explanatory Note: The proposed new paragraph 24A is to clarify that where the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, pro forma financial statements for the most recent completed financial year would not need to be included. Issuers should however ensure that the requirement in paragraph 21 is complied with.

24B. In paragraphs 11 to 13A of this Part –

(a) the reference to “annual financial statements” shall include a reference to annual consolidated financial statements referred to in paragraph 2 of this Part;  
(b) the reference to “annual profit and loss statements” shall include a reference to annual consolidated profit and loss statements referred to in paragraph 2 of this Part;  
(c) the reference to “annual cash flow statements” shall include a reference to annual consolidated cash flow statements referred to in paragraph 2 of this Part;  
(d) the reference to “annual balance sheet” shall include a reference to annual consolidated balance sheet referred to in paragraph 2 of this Part.

Interim Financial Information

25. If the date of lodgment of the prospectus is later than 9 months after the end of the most recent completed financial year for which audited or pro forma financial statements, as the case may be, were prepared, provide the interim financial statements of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, of the group, or, if the
relevant corporation is the holding company of a pro forma group, of the pro forma group.

26. If the date of lodgment of the prospectus is more than 9 months but less than 12 months from the end of the most recent completed financial year for which audited or pro forma financial statements, as the case may be, were prepared, the interim financial statements provided under paragraph 25 of this Part need not be audited (in which case that fact should be stated) and must cover at least the first 6 months of the current financial year.

26A. If the date of lodgment of the prospectus is more than 12 months but less than 15 months from the end of the most recent completed financial year for which audited or pro forma financial statements, as the case may be, were prepared, the interim financial statements provided under paragraph 25 of this Part shall be audited and must cover at least the first 6 months of the most recent completed financial year.

(29) Explanatory Note: The proposed amendments to paragraphs 25 and 26 and the proposed new paragraph 26A are mainly to provide clarity on the interim periods for which interim financial statements are required to be provided in the prospectus.

MAS seeks your comments on the proposed requirements set out in paragraphs 25, 26 and 26A.

27. The interim financial statements provided must be prepared in the same format as the audited financial statements provided under paragraph 2 of this Part or the pro forma financial statements provided under paragraph 11 of this Part, as the case may be.

28. Include the following in the interim financial statements:

(a) a note analyzing the change in each item of shareholders’ equity presented in the balance sheet;

(b) a statement showing either —

   (i) all changes in equity; or
(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders;

(c) comparative figures (other than balance sheet figures) for the same period in the previous financial year in respect of —

(i) the relevant corporation or, if the relevant corporation is the holding company of a group, the group, unless the relevant corporation or the group, as the case may be, has been in existence for less than one completed financial year; or

(ii) the pro forma group, unless the pro forma financial statements are not required to be prepared for the most recent completed financial year under paragraph 12 of this Part and all the entities of the pro forma group, the financial statements of which were used in the preparation of the pro forma financial statements, have been in existence for less than one completed financial year;

(d) selected note disclosures that provide an explanation of any event or change that is significant to the understanding of any change in the financial position and results of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, of the group, or, if the relevant corporation is the holding company of a pro forma group, of the pro forma group, since the last annual reporting date.

29. Include in the prospectus a report by the auditors of the relevant corporation on the audit of the interim financial statements or, if the interim financial statements are not audited, a review by the auditors of the interim financial statements.

(30) Explanatory Note: The amendments to paragraphs 28 and 29 are proposed for clarity.

Change in Accounting Policies

30. Where there has been a material change to the relevant corporation’s accounting policies, provide a summary of the material change in the accounting policies, and the reason for and quantitative impact of such change on the financial results of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, the financial results of the group,
or, if the relevant corporation is the holding company of a pro forma group, the financial results of the pro forma group, for each of the 3 most recent completed financial years. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, the reference to the most recent completed financial year in this paragraph shall be a reference to the financial year preceding the most recent completed financial year.

**Litigation**

31. Provide information on any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have had in the last 12 months before the date of lodgment of the prospectus, a material effect on the relevant corporation’s financial position or profitability.

**Dividends**

32. Disclose the rate of the dividends, if any, paid by the relevant corporation in respect of each class of shares for each of the 3 most recent completed financial years, giving particulars of each such class of shares and particulars of any case in which no dividends have been paid in respect of any class of shares for any of those years.

33. Describe the relevant corporation’s policy on dividend distributions and, if it does not have a fixed policy, state so.

**Significant Changes**

34. Disclose any event that has occurred since the end of the period covered by the most recent financial statements, whether such financial statements are audited or pro forma or interim, included in the prospectus and up till the latest practicable date, which may have a material effect on the financial position and results of the group or pro forma group, as the case may be, or, if there is no such event, provide an appropriate negative statement.

**PART X**

**THE OFFER AND LISTING**
Offer and Listing Details

1. Indicate the price at which the shares or units of shares, as the case may be, are being offered and the amount of any expense specifically charged to the subscriber or purchaser.

2. If there is no established market for the shares or units of shares being offered, as the case may be, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

3. If —

   (a) any of the relevant corporation’s shareholders have pre-emptive purchase rights; and

   (b) the exercise of the rights by the shareholder is restricted, withdrawn or waived,

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

4. If shares or units of shares, as the case may be, of the same class as that offered are listed for quotation or quoted on any securities exchange or overseas securities exchange, disclose the following information regarding the price history of such shares or units of shares:

   (a) the annual high and low market prices for the 3 most recent completed financial years or, if such shares or units of shares are listed or quoted on the securities exchange or overseas securities exchange for less than 3 completed financial years, for each financial year since the date on which the shares or units of shares are so listed or quoted;

   (b) the high and low market prices for each financial quarter of the 2 most recent completed financial years and any subsequent financial quarters before the date of lodgment of the prospectus or, if the shares or units of shares are listed or quoted on the securities exchange or overseas securities exchange for less than 2 completed financial years, for each financial quarter
from the date on which the shares or units of shares are so listed or quoted, to the latest practicable date;

(c) the high and low market prices for each of the last 6 months before the date of lodgment of the prospectus or, if the shares or units of shares are listed or quoted on the securities exchange or overseas securities exchange for less than 6 months, for each month from the date on which the shares or units of shares are so listed or quoted, to the latest practicable date; and

(d) the closing market prices on the last trading day before the announcement of the offer and (if different) on the latest practicable date.

5. Disclose any significant trading suspension that has occurred on the securities exchange or overseas securities exchange during the last 3 years or, if the shares or units of shares are listed or quoted for less than 3 years, during the period since the date on which the shares or units of shares are so listed or quoted, to the latest practicable date. If the shares or units of shares are not regularly traded on a securities exchange or overseas securities exchange, provide information on any lack of liquidity.

6. State the type and class of the shares or units of shares, as the case may be, being offered or listed and —

   (a) indicate whether the shares or units of shares are registered shares or bearer shares and provide the number of shares or units of shares to be issued and made available to the market for each kind of share or unit of share, stating the nominal par or equivalent value on a per share basis and, where applicable, state a statement of the minimum offer price;

   (b) describe any coupon; and

   (c) describe the arrangement for transfer and any restriction on the free transferability of the shares or units of shares.

7. If the rights evidenced by the shares or units of shares, as the case may be, being offered are or may be materially limited or qualified by the rights evidenced by any other class of shares or units of shares or by the provisions of any contract or other documents, include information regarding such limitation or qualification and its effect on the rights evidenced by the shares or units of shares offered.
8. With respect to securities other than common or ordinary shares **being** offered, outline briefly the rights evidenced thereby as follows:

(a) if subscription warrants or rights are offered, provide a description of and state the amount of shares or units of shares, as the case may be, which will be issued pursuant to the exercise of such warrants or rights; state the amount of warrants or rights outstanding; disclose the provisions for changes to or adjustments in the exercise price; state the period during which and the price at which the warrants or rights are exercisable; and disclose any other material terms of such warrants or rights;

(b) where convertible shares or stock purchase warrants to be offered are subject to redemption or call, describe the conversion terms of the shares or material terms of the warrants including whether the right to convert or purchase the securities will be forfeited unless it is exercised before the date specified in the notice of redemption or call; state the expiration or termination date of the warrants; state the kind, frequency and timing of notice of the redemption or call, including where the notice will be published; and, in the case of bearer securities, state that investors are responsible for making arrangements to prevent loss of the right to convert or purchase in the event of redemption or call.

**Plan of Distribution**

9. To the extent known to the relevant corporation, indicate whether any person intends to subscribe for more than 5% of the offering.

10. Identify any group of targeted potential investors to whom the shares or units of shares, as the case may be, are **being** offered. If the offer is being made simultaneously in the markets of 2 or more countries and if a tranche has been or is being reserved for any of these countries, indicate any such tranche.

11. If the shares or units of shares, as the case may be, are reserved for allotment or allocation to any group of targeted investors, for example, existing shareholders, directors, or employees or past employees of the relevant corporation or its subsidiary or subsidiary entity, provide details of these and any other preferential allocation arrangements.

12. Indicate whether the amount of the shares or units of shares, as the case may be, being offered can be increased, such as by the exercise of an underwriter’s over-
allotment option or “greenshoe”, and state the exercise period of and amount under such option.

13. Indicate the amount, and outline briefly the plan of distribution, of any shares or units of shares, as the case may be, that are to be offered otherwise than through underwriters. If the shares or units of shares are to be offered through the selling efforts of a broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify the broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

14. If the shares or units of shares, as the case may be, are to be offered in connection with the writing of exchange-traded call options, describe briefly such transactions.

15. If simultaneously or almost simultaneously with the creation of shares or units of shares, as the case may be, to which the prospectus relates—

   (a) shares or units of shares of the same class are subscribed for or placed privately; or

   (b) shares or units of shares of other classes are created for public or private placing,

details are to be given of the nature of such subscriptions or placings and of the number and characteristics of the shares or units of shares to which they relate.

16. Unless otherwise described under paragraph 11 of Part XI of this Schedule, describe the features of the underwriting relationship together with the amount of shares or units of shares, as the case may be, being underwritten by each underwriter. Include a statement as to whether the arrangement is one under which the underwriters are or will be committed to take and to pay for all of the shares or units of shares, or an agency or “best efforts” type of arrangement under which the underwriters are required to take and to pay for only such shares or units of shares as they may sell to the public.

Markets

17. Identify the securities exchange or overseas securities exchange on which shares or units of shares, as the case may be, of the same class as those offered are
already listed for quotation or quoted or on which permission to list for quotation or quote the shares or units of shares is being or is proposed to be sought.

18. When permission to list for quotation or quote on any securities exchange or overseas securities exchange is being or is proposed to be sought in respect of the first-mentioned shares or units of shares in paragraph 17 of this Part, or the shares or units of shares which are the subject of the current offer, state that fact without creating the impression that the application for permission will necessarily be approved. If known, provide the dates on which such shares or units of shares will be listed for quotation or quoted and on which trading will commence.

**Selling Shareholders**

19. Provide the following information:

(a) the name and address of the person or entity offering to sell the shares or units of shares, as the case may be, which are the subject of the current offer, and the nature of any position, office or other material relationship that such person or entity has had with the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, with the group, or, if the relevant corporation is the holding company of a pro forma group, with the pro forma group, within the period of 3 years before the date of lodgment of the prospectus;

(b) the number and class of shares or units of shares, as the case may be, being offered by the person or entity, and the percentage of the existing equity capital that such shares constitute;

(c) the number and percentage of the shares or units of shares, as the case may be, for each class of shares or units of shares, as the case may be, in which the person or entity has an interest, whether direct or deemed, both as of the latest practicable date and immediately after the offer.

**Dilution**

20. Where there is a substantial disparity between the public offer price and the effective cash cost to a director or substantial shareholder of the relevant corporation, or his associate, of shares or units of shares, as the case may be, acquired by him at any time during the period of 3 years before the date of lodgment of the prospectus, or which he has the right to acquire, provide a
comparison of the public contribution in the proposed public offering and the
effective cash contribution of such person.

21. Disclose the amount and percentage of immediate dilution resulting from the
offer, computed as the difference between the offer price per share and the net
tangible asset value per share for the equivalent class of security, as of the latest
balance sheet date after adjusting for the effects of the offer on the net tangible asset
value per share.

22. Where the information required in paragraphs 20 and 21 of this Part has been
prepared using certain assumptions and after making certain adjustments on a pro
forma basis, state such fact.

Expenses of the Offer

23. Disclose the amount of discount or commission per share agreed upon between
the underwriters or other placement or selling agents and the relevant corporation or
selling shareholder.

24. Provide a reasonably itemized statement of the major categories of expenses
incurred in connection with the issue and distribution of the shares or units of shares
offered and by whom the expenses are payable, if other than the relevant
corporation. If any of the shares or units of shares, as the case may be, are to be
offered for the account of a selling shareholder, indicate the portion of such
expenses to be borne by such shareholder. The information may be given subject to
future contingencies. If the amount of any item is not known, estimates (identified
as such) shall be given.

PART XI

ADDITIONAL INFORMATION

Share Capital

1. State the amount of issued share capital in respect of the relevant corporation as
of the date of the most recent balance sheet and as of the date of lodgment of the
prospectus and, for each class of share capital, provide the following information:

(a) the number of shares authorised;

(b) the number of shares issued and fully paid;
(c) the number of shares issued but not fully paid;

(d) the nominal par value per share, or that the shares have no nominal par value; and

(e) a reconciliation of the number of shares outstanding at the beginning and end of the most recent completed financial year; if more than 10% of capital has been paid for with assets other than cash within the period of 3 years before the date of lodgment of the prospectus, state that fact.

2. If there are shares in the relevant corporation not representing capital, state the number and main characteristics of such shares.

3. Indicate the number, book value and face value of shares in the relevant corporation, if any, held by or on behalf of the relevant corporation itself or by its subsidiary or subsidiary entity.

4. Where there is, in respect of the relevant corporation, authorised but unissued capital or an undertaking to increase the capital, state —

   (a) the amount of such authorised capital or capital increase and, where appropriate, the duration of the authorisation;

   (b) the categories of persons having preferential subscription rights for such additional portions of capital; and

   (c) the terms, arrangements and procedures for the share issue corresponding to such portions.

5. Provide information regarding any securities of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, of any entity in the group, or, if the relevant corporation is the holding company of a pro forma group, of any entity in the pro forma group, which any person has, or has the right to be given, an option to subscribe for or purchase, including identity of that person; a description of and the amount of securities covered by the option; the purchase price of the option, if any; the exercise price; and the period during which the option is exercisable; or an appropriate negative statement. Where options have been granted or agreed to be granted to —

   (a) all the holders of the shares in or debentures of the relevant corporation;
(b) all the holders of the shares in or debentures of any entity in a group if the relevant corporation is the holding company of such group but not of a pro forma group, or of any entity in a pro forma group if the relevant corporation is the holding company of such pro forma group; or

(c) employees of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, of any entity in the group, or, if the relevant corporation is the holding company of a pro forma group, of any entity in the pro forma group, under an employees’ share option scheme,

it will be sufficient to record that fact without giving names.

6. Provide a history of share capital of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, of each entity in the group, or, if the relevant corporation is a holding company of a pro forma group, of each entity in the pro forma group, for the period of 3 years before the date of lodgment of the prospectus, identifying any event during such period which has changed the amount of the issued share capital or the number and classes of shares of which it was composed, together with a description of changes in voting rights attached to the various classes of shares during that time. Give details of the price and terms of any issue including particulars of any consideration that is not cash (including information regarding any discount, special term or installment payment term). If there is no such issue, give an appropriate negative statement. Provide also the reason for any reduction of the amount of the share capital and the ratio of capital reductions.

7. Provide an indication of the resolutions, authorisations and approvals by virtue of which any shares or units of shares of the relevant corporation may be issued, the nature of the issue and amount thereof and the number of shares or units of shares which may be issued, if predetermined.

Constituent Documents of Relevant Corporation

8. Provide the following information in respect of the relevant corporation:

(a) the relevant corporation’s registration number, if applicable;

(b) a summary of the provisions of the relevant corporation’s constituent documents and bylaws with respect to —
(i) a director’s power to vote on a proposal, arrangement or contract in which he is interested;

(ii) a director’s power to vote on remuneration (including pension or other benefits) for himself or for any other director, and whether the quorum at a meeting of the board of directors to vote on directors’ remuneration may include the director whose remuneration is the subject of the vote;

(iii) the borrowing powers exercisable by the directors and how such borrowing powers may be varied;

(iv) the retirement or non-retirement of a director under an age limit requirement; and

(v) the number of shares, if any, required for the qualification of a director;

(c) a summary of the material provisions of the relevant corporation’s constituent documents and bylaws with respect to —

(i) the rights, preferences and restrictions attaching to each class of shares;

(ii) any change in capital;

(iii) any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law; and

(iv) any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement then operates.

9. Describe any limitation on the right to own shares, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on the shares imposed by law or by the constituent documents of the relevant corporation, or state that there are no such limitations if that is the case.
10. With respect to paragraphs 8 and 9 of this Part, if the law applicable to the relevant corporation in these areas is significantly different from that in Singapore, explain the effect of the law in these areas.

**Material Contracts**

11. Provide a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, any member of the group, or, if the relevant corporation is the holding company of a pro forma group, any member of the pro forma group, is a party, for the period of 2 years before the date of lodgment of the prospectus, including the parties to the contract, the date and general nature of the contract and the amount of any consideration passing to or from the relevant corporation or any other member of the group or pro forma group, as the case may be.

**Exchange Controls**

12. Describe any governmental law, decree or regulatory requirement or any other requirement which may affect the repatriation of capital and the remittance of profits by or to the relevant corporation. Also, explain how they would impact on the availability of cash and cash equivalents for use by the relevant corporation and the remittance of dividends, interest or other payments to shareholders of the relevant corporation.

**Taxation**

13. Provide information regarding taxes (including withholding provisions) to which shareholders of the relevant corporation may be subject. If the relevant corporation is incorporated outside Singapore, the information shall include whether the relevant corporation assumes responsibility for the withholding of tax at source and applicable provisions of any reciprocal tax treaties between the home country of the relevant corporation and Singapore, or a statement, if applicable, that there are no such treaties.

**Dividends**

14. Disclose any dividend restriction, the date on which the entitlement to dividends arises, if known, and any procedure for shareholders of the relevant corporation to claim dividends.
**Statement by Experts**

15. Where a statement or report attributed to a person as an expert is included in the prospectus, provide such person’s name, address and qualifications.

16. Where the prospectus contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert or contains what purports to be a copy of or extract from a report, memorandum or valuation of an expert,

   (a) state the date on which the statement, report, memorandum or valuation was made;

   (b) state and whether or not it was prepared by the expert for the purpose of incorporation in the prospectus; and

   (c) include a statement that the expert has given and has not withdrawn his written consent to the issue of the prospectus with the inclusion of the statement in the form and context in which it is included in the prospectus.

17. Where the prospectus includes a statement purporting to be made by an expert, include a statement that the expert has given and has not withdrawn his written consent to the issue of the prospectus with the inclusion of the statement in the form and context in which it is included in the prospectus.

17. The information referred to in paragraphs 15 and 16 of this Part need not be provided in the prospectus if the statement attributed to an expert is a statement to which the exemption under regulation 22A is applicable.

(31) Explanatory Note: The amendments to paragraphs 15 and 16 and the new paragraph 17 are proposed for clarity.

**Consents from Issue Managers and Underwriters**

17A. Where a person is named in the prospectus as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given and has not withdrawn his written consent to being named in the prospectus as the issue manager or underwriter to the offer, as the case may be.
Documents for Inspection

18. Provide a statement that for a period of at least 6 months from the date of registration by the Authority of the prospectus, the following documents (or copies thereof), where applicable, may be inspected at a specified place in Singapore:

(a) the constituent documents of the relevant corporation;

(b) every material contract referred to in the prospectus or where the contract is not reduced into writing, a memorandum giving full particulars thereof;

(c) the directors’ service contracts referred to in the prospectus;

(d) every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the prospectus;

(e) the audited financial statements of the relevant corporation if the relevant corporation is not the holding company of a group or pro forma group;

(f) the respective audited financial statements of all the entities in the group which have audited financial statements if the relevant corporation is the holding company of a group but not of a pro forma group, or of all the entities in the pro forma group which have audited financial statements if the relevant corporation is the holding company of a pro forma group, for each of the 3 most recent completed financial years;

(g) any interim financial statements of the relevant corporation, group or pro forma group, as the case may be, which are included in the prospectus whether or not pursuant to Part IX of this Schedule;

(h) in the case of a corporation incorporated in Singapore, all notes, reports or information relating to financial statements referred to in sub-paragraphs (e), (f) and (g) which are required to be prepared under the Companies Act (Cap. 50); and
(i) where the financial statements of any entity in the group or pro forma group have been re-stated pursuant to paragraph 3 (b) or 18 (b) (ii) of Part IX of this Schedule, the re-stated annual financial statements of that entity and the audited annual financial statements which form the basis for the re-stated annual financial statements.

**Information on Related Corporations and Related Entities**

19. Provide the name of —

(a) every corporation which is, by virtue of section 6 (a) or (b) of the Companies Act (Cap. 50), a related corporation of the relevant corporation; and

(b) every entity which is, by virtue of paragraph (1D) of the Fourth Schedule to these Regulations, a related entity of the relevant corporation.
PARTICULARS TO BE INCLUDED IN A PROSPECTUS UNDER SECTION 243 OF THE ACT IN RELATION TO SHARES OR UNITS OF SHARES IN A CASE OTHER THAN ONE REFERRED TO IN REGULATION 7 (1) (A)

(1) Explanatory Note: Amendments proposed to be made to the Fifth Schedule will be replicated in the Sixth Schedule, where appropriate. Accordingly, the proposed amendments to Sixth Schedule have not been enclosed in this consultation paper.
PARTICULARS TO BE INCLUDED IN A PROSPECTUS UNDER SECTION 243 OF THE ACT IN RELATION TO DEBENTURES OR UNITS OF DEBENTURES WHERE AN APPLICATION HAS BEEN OR WILL BE MADE TO A SECURITIES EXCHANGE TO LIST FOR QUOTATION OR QUOTE SUCH DEBENTURES OR UNITS OF DEBENTURES ON THE SECURITIES EXCHANGE

(1) **Explanatory Note:** The majority of the amendments to this Schedule have been proposed to mirror the policy intent set out in the Fifth Schedule.

MAS seeks your comments on the requirements contained in this Schedule, and in particular, the proposed changes to the existing requirements (which are tracked against the existing Seventh Schedule) and the matters set out in grey boxes below.

## PART I

### FRONT COVER

On the front cover of the prospectus, provide —

(a) the date of registration of the prospectus or, in the case of a supplementary prospectus or replacement prospectus, the date of lodgment of the supplementary prospectus or replacement prospectus;

(b) the following statements:

(i) “This document is important. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, legal, financial, tax, or other professional adviser.”; and

(ii) “A copy of this prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the prospectus.
Registration of the prospectus by the Authority does not imply that the Securities and Futures Act (Cap. 289), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the debentures or units of debentures, as the case may be, being offered or in respect of which an invitation is made, for investment.”;

(c) the name of the corporation entity in respect of which the debentures or units of debentures, as the case may be, are being offered (hereinafter the relevant corporation entity), and its country of incorporation or constitution;

(2) Explanatory Note: To reflect the possibility that debentures or units of debentures could be issued by an entity other than a corporation, MAS has replaced all references in this Schedule to a “corporation” with references to an “entity”.

(d) a statement to the effect that an application has been or will be made to a securities exchange to list for quotation or quote the debentures or units of debentures, as the case may be, being offered on that securities exchange, and the name of such securities exchange; and

(e) a statement that no debentures or units of debentures, as the case may be, shall be allotted or allocated on the basis of the prospectus –

(i) in the case of a debenture issuance programme, later than 24 months after the date of registration of the prospectus by the Authority; or

(ii) in any other case, later than 6 months after the date of registration of the prospectus by the Authority.

PART II

IDENTITY OF DIRECTORS, KEY EXECUTIVES, GUARANTOR CORPORATION, ENTITIES, ADVISERS AND AGENTS

Directors and Key Executives

1. Provide the names, addresses and occupations of the directors or equivalent persons and key executives of the relevant corporation entity. In the case of a
guaranteed debenture issue, provide also such information in respect of the guarantor corporation entity.

**Company Secretary of the Entity**

2. Provide the name and professional qualifications of the company secretary of the relevant corporation entity, if any.

**Advisers**

3. Provide the names and addresses of —

   (a) the relevant corporation entity’s principal banker or bankers;

   (b) the manager of the offer, if any;

   (c) the arranger of the offer, if any;

   (d) the underwriter of the offer, if any; and

   (e) the legal adviser for or in relation to the offer.

**Guarantor Corporation Entity**

4. In the case of a guaranteed debenture issue, provide the name and address of the guarantor corporation entity.

**Auditors**

5. Provide the names, addresses and professional qualifications (including membership in a professional body, if any) of the relevant corporation entity’s auditors for the 2 most recent completed financial years. If applicable, provide also the name, address and professional qualifications (including membership in a professional body, if any) of any other auditor engaged by the relevant corporation entity in relation to the requirements under Parts V and VIII of this Schedule. In the case of a guaranteed debenture issue, provide also such information in respect of the guarantor corporation entity.

5A. In a case where 2 or more persons are engaged by the relevant entity to jointly audit, report on or prepare financial information for the relevant entity, all of these persons shall be considered to be auditors for the purposes of the requirements
under Part V and VIII of this Schedule, if at least one of these persons satisfies the
definition of auditor in section 2(1) of the Act.

Registrars and Agents

6. Provide the names and addresses of the relevant corporation’s paying
agents, registrars, transfer agents and receiving bankers for the debentures or units
of debentures being offered, as the case may be.

PART III

OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state —

   (a) the amount of subscriptions that are being sought and, where applicable, the fact that the subscriptions may be reduced;

   (b) the nature, denomination and, where applicable, number of the debentures or units of debentures, as the case may be, being offered;

   (c) where the debentures or units of debentures, as the case may be, are being offered at a discount or premium, the face value of the debentures or units of debentures being offered; the nominal amount of the issue or, if this amount is not fixed, provide a statement to that effect; and

(3) Explanatory Note: The phrase “nominal amount” has been replaced with “face value” for clarity.

   (d) the currency of the issue and, if the issue is payable in any currency other than the currency of issue, disclose this fact.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to the offer procedure —

   (a) for each offer; and
and where there is more than one group of targeted potential investors and the offer procedure is different for each group, for each group of targeted potential investors.

3. The time at, date on, and period during which the offer will be open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. Describe whether the offer period may be extended or shortened and if so, how it may be extended or shortened, and the duration of possible extensions or possible early closure of this period. Describe the manner in which any extension or early closure of the offer period shall be made public. If the exact date or period is not known when the prospectus is first lodged with the Authority, describe the arrangements for announcing the definitive date or period.

4. The method and time limit for paying up for the debentures or units of debentures, as the case may be, and where payment is to be partial, the manner in which and dates on which amounts due are to be paid.

5. The methods of and time limits for —

(a) the delivery of the documents evidencing title to the debentures or units of debentures (including temporary documents of title, if applicable), as the case may be, and where payment is to be partial, the manner in which and dates on which amounts due are to be paid.

(b) the book-entry transfers of the debentures or units of debentures, as the case may be, in favour of subscribers or purchasers, as may be applicable.

6. In the case of pre-emptive purchase rights, the procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

7. A full description of the manner in which results of the allotment or allocation of the debentures or units of debentures, as the case may be, are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

PART IV

KEY INFORMATION
Principal Terms and Conditions

1. Provide the following information on the debentures or units of debentures, as the case may be, being offered:

   (a) the yield and a summary of the method whereby that yield is calculated; the issue and redemption prices as well as the nominal interest rate and, if floating, how the rate is calculated; if several or variable interest rates are provided for, indicate the conditions for changes in the rate;

   (b) the date from which interest accrues and the interest payment dates;

   (c) the procedures for, and validity period of, claims to payment of interest and repayment of the principal sum;

   (d) the final repayment date and any early repayment dates, specifying whether exercisable at the option of the relevant corporation's entity or the holder's option of the debentures or units of debentures, as the case may be;

   (e) details of the arrangements for the amortisation or early redemption of the debentures or units of debentures, as the case may be, being offered issue, including procedures to be adopted;

   (f) a description of any subordination or seniority of the issue to other debts of the relevant corporation's entity already incurred or to be incurred;

   (g) the rights conferred upon the holders of the debentures or units of debentures, as the case may be, including rights in respect of interest and redemption;

   (h) particulars of any security;

   (i) financial covenants, including those concerning issues of other forms or series of debentures or units of debentures;

   (j) where applicable, a statement as to whether or not the relevant corporation's entity has any right to create additional charges over any of the assets subject to a charge to secure the repayment of the debentures or units of debentures, as the case may be, which will rank in priority to or pari passu with the second-mentioned charge and, if there is such a right, particulars of its nature and extent;
(k) the nature and scope of any guarantee, surety or commitment intended to ensure that the issue will be duly serviced with regard to both the principal sum of and the interest on the debentures or units of debentures, as the case may be, being offered;

(l) in relation to a public offer of mortgage bonds, mortgage debentures or certificates of mortgage debenture stock, where the repayment of all moneys that have been or may be deposited with or lent to the relevant corporation entity in response to the offer is secured by a first charge over land property vested in the relevant corporation entity, or in one or more of its guarantor corporation entities, or in the relevant entity and one or more of its guarantor entities —

(i) the aggregate amount, in percentage terms, of the moneys deposited with or lent to the relevant corporation entity in response to the offer and of all other liabilities, if any, which are secured by the charge over that land property, against the value of the interest of the relevant entity, corporation's one or more of or its guarantor entities corporation's, or the relevant entity and one or more of its guarantor entities, interest in that land property as shown in the valuation report specified in sub-paragraph (ii); and

(ii) a report of the valuation of the interest of the relevant entity, corporation's one or more of or its guarantor entities corporation's, or the relevant entity and one or more of its guarantor entities, interest in the land property so charged, showing the nature and extent of the interest of the relevant entity, corporation's one or more of its guarantor entities corporation's, or the relevant entity and one or more of its guarantor entities interest, being a report made not more than 6 months before the date of lodgment of the prospectus by an independent qualified valuer;

(4) Explanatory Note: The proposed amendments to sub-paragraph (l) are intended to clarify that the requirements will also apply if the offer is secured by a first charge over any property (other than land) that is vested with the relevant entity and/or one or more of its guarantor entities.
(m) any legislation under which the debentures or units of debentures, as the case may be, have been created, and the governing law and the competent courts in the event of litigation;

(n) definition of events constituting defaults and effect upon acceleration of maturity of the debentures or units of debentures, as the case may be, being offered; and

(o) provisions for modifications of terms and conditions of the debentures or units of debentures, as the case may be, being offered.

**Credit Rating**

2. If the relevant corporation entity, its guarantor corporation entity, or the debentures or units of debentures being offered, have been given a credit rating by a credit rating agency, disclose the name of the credit rating agency, the credit rating (including whether it is a short-term or long-term credit rating), whether or not the relevant corporation entity, or its guarantor corporation entity, or any of their related parties, had paid any fee or benefit of any kind to the credit rating agency in consideration for the credit rating, and the date on which the credit rating was given.

**Representative for Debenture Holders**

3. Provide the name and address of the trustee, fiscal agent or any other representative for the debenture holders, and the main terms of the document governing such trusteeship or representation, including provisions concerning functions, rights and obligations of the trustee, fiscal agent or representative.

**Capitalisation and Indebtedness**

4. Provide a statement of capitalisation and indebtedness (distinguishing between guaranteed and non-guaranteed, and secured and unsecured, indebtedness) as of a date no earlier than 60 days prior to the date of lodgment of the prospectus, showing the relevant corporation entity’s capitalisation on an actual basis and, if applicable, adjusted to reflect the sale of new debentures or units of debentures, as the case may be, being issued and the intended application of the net proceeds therefrom. Indebtedness includes indirect and contingent indebtedness. In the case of a guaranteed debenture issue, provide also such information in respect of the guarantor corporation entity.
Use of Proceeds from Offer

5. In a section under the heading “Use of Proceeds” -

(a) Disclose the estimated amount of the proceeds from the offer (net of the expenses incurred for the offer) broken down into each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of debentures or units of debentures, as the case may be;

6. (b) if the proceeds are proposed to be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and how the cost to the relevant entity will be determined;

(c) if the proceeds are proposed to be used, directly or indirectly, may or will be used to acquire, finance or refinance the acquisition of another business, state briefly describe such business and give information on the status of the acquisition, the length of time the business to be acquired has been carried on; and

(d) if any material part of the proceeds is to be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding entity of a group but not of a pro forma group, of the group, or, if the relevant entity is the holding entity of a pro forma group, of the pro forma group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.
(5) **Explanatory Note:** Investors in debentures are likely to be concerned about how the proceeds from the offer will be used as this will have a bearing on the ability of the entity to repay debenture holders their interest and principal payments when they fall due.

On the other hand, they are less likely to be concerned about the amount of expenses incurred in relation to the offer as these are once off and are unlikely to have any future bearing on the interests of debenture holders.

Hence, MAS proposes to mirror the proposed disclosure requirements on use of proceeds in the Fifth Schedule (but not those relating to expenses incurred) in this Schedule.

**MAS seeks your comments on the proposal to require disclosure on use of proceeds (but not expenses) in a debentures prospectus.**

**Risk Factors**

7. Disclose, in a specific section with the heading “Risk Factors”, the risk factors that are specific to the relevant corporation and its industry as well as the debentures or units of debentures, as the case may be, being offered, which had materially affected, or could materially affect, directly or indirectly, the relevant corporation’s financial position and results, business operations and investments by debenture holders of the relevant corporation. In the case of a guaranteed debenture issue, provide also such information in respect of the guarantor corporation.

PART V

**INFORMATION ON THE RELEVANT CORPORATION**

**History of the Relevant Corporation**

1. Provide the following information:

   (a) the name of the relevant corporation;

   (b) the date of incorporation or constitution and, where the constituent documents of the relevant corporation provide a limit as to the duration for which the relevant corporation is to exist, such duration;
(c) the country of incorporation and legal form of the relevant corporation entity, the legislation under which it operates, and the address and telephone and facsimile numbers of its registered office (or principal place of business if different from its registered office);

(d) the length of time for which the business of the relevant corporation entity or, if the relevant corporation entity is the holding company entity of a group but not of a pro forma group, of the group, or, if the relevant corporation entity is the holding company entity of a pro forma group, of the pro forma group, has been carried on;

(e) a description, including the amount invested, of each material expenditure on and divestment of capital investment (including any interest in another corporation entity) by the relevant corporation entity or, if the relevant corporation entity is the holding company entity of a group but not of a pro forma group, by the group, or, if the relevant corporation entity is the holding company entity of a pro forma group, by the pro forma group, for the period starting from the beginning of the period comprising the 2 most recent completed financial years and ending on the latest practicable date; and

(f) any material capital investment by the relevant corporation entity or, if the relevant corporation entity is the holding company entity of a group but not of a pro forma group, by the group, or, if the relevant corporation entity is the holding company entity of a pro forma group, by the pro forma group, the making or divestment of which is in progress, including the geographical location of the investment and the method of financing.

**Principal Properties**

2. Provide particulars of the locations, sizes and tenures of the principal properties of the relevant corporation entity or, if the relevant corporation entity is the holding company entity of a group but not of a pro forma group, of the group, or, if the relevant corporation entity is the holding company entity of a pro forma group, of the pro forma group, and whether such properties are owned or leased.

**Business Overview and Financial Review**

3. Provide the following information in respect of the relevant corporation entity:

   (a) the nature of the operations and principal activities;
(b) the main categories of products sold and services performed for each of the 2 most recent completed financial years; any significant new product or service introduced between the beginning of the period comprising the 2 most recent completed financial years and the latest practicable date and, to the extent the development of the new product or service has been publicly disclosed, the status of such development;

(6) **Explanatory Note:** The requirement relating to new product development has been shifted to the section on “convertible debentures”. MAS is of the view that such information is likely to be more relevant for investors who are considering to invest in shares or equity interests of the issuer.

(bc) the principal market in which the relevant corporation entity competes, including a breakdown of total revenues by category of activity and geographic market for each of the 2 most recent completed financial years;

d) the net sales or revenues of the relevant corporation entity for the 2 most recent completed financial years; briefly, the extent to which any material change in net sales or revenues for the most recent completed financial year is attributable to a change in the price or volume of products or services being sold or to the introduction of a new product or service; and

(d) for a relevant corporation whose business is, in the reasonable opinion of the directors of the relevant corporation, of such a character that the information required in sub-paragraphs (a), (b) and (c) cannot be practically obtained or is of no value to investors and their professional advisers when making an informed assessment of the relevant corporation and the debentures or units of debentures being offered, the reasons why; and

(7) **Explanatory Note:** The original intent of sub-paragraph (d) was to cater to instances where debentures were issued by a passive holding vehicle and the requirements relating to the business of that corporation would not be relevant to investors. With the introduction of separate disclosure requirements for asset-backed securities and structured notes, this sub-paragraph is no longer necessary.
(e) a summary on whether the business or profitability of the relevant corporation entity is materially dependent on any patent or licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or new manufacturing process.

4. In paragraph 3 of this Part, a reference to the relevant corporation entity shall, if the relevant corporation entity is the holding company entity of a group but not of a pro forma group, be a reference to the group, or, if the relevant corporation entity is the holding company entity of a pro forma group, be a reference to the pro forma group.

Liquidity and Capital Resources

5. Provide the following information regarding liquidity (both short and long term) in respect of the relevant corporation entity:

(a) a description of the material sources of liquidity, whether internal or external, and a brief discussion of any material unused sources of liquidity, as of the latest practicable date; include a statement by the directors or equivalent persons of the relevant corporation entity whether, in their reasonable opinion, the working capital available to the relevant corporation entity as of the date of lodgment of the prospectus is sufficient for present requirements and, if insufficient, how the additional working capital, thought considered by the directors or equivalent persons to be necessary, is proposed to be provided;

(b) an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —

(i) each of the two the most recent completed financial years for which annual cash flow statements have been included in the prospectus; and

(ii) where as well as for the interim period if interim financial statements have been provided included in the prospectus, the interim period as well as the corresponding interim period of the previous financial year,

including the nature and extent of any legal, financial or economic restriction on the ability of a subsidiary or subsidiary entity of the relevant corporation entity to transfer funds to the relevant corporation entity in the form of cash dividends, loans or advances, and
the impact such restrictions have had or are expected to have on the 
ability of the relevant corporation entity to meet its cash obligations;

(8) Explanatory Note: As interest and principal payments due to investors will 
be paid out of cash flows, MAS is of the view that it will be useful for an 
entity to provide a more comprehensive analysis of its cash flows as an 
indication of its ability to meet its obligations to investors. Hence, MAS 
proposes to require, in addition to the current requirement, that the entity 
provide an evaluation of the material sources and amounts of cash flows for 
an additional financial year and where interim financial statements have been 
provided, for the corresponding interim period in the previous year.

**MAS seeks your comments on the proposed requirement in sub-
paragraph (b).**

(c) the level of borrowings as at the end of the most recent completed 
financial year or, if interim financial statements have been included, the 
interim period, the extent to which the borrowings are at a fixed rate, the 
maturity profile of the borrowings and committed borrowing facility, with a 
description of any restriction on its use; and

(d) in the case of a guaranteed debenture issue, the information referred to in 
sub-paragraphs (a), (b) and (c) in respect of the guarantor corporation entity;

6. Provide information on any material commitment by the relevant corporation entity for capital expenditures as of the latest practicable date and 
indicate the general purpose of such commitment and the anticipated source of 
funds needed to fulfil such commitment.

7. In paragraphs 5 and 6 of this Part, a reference to the relevant corporation entity 
shall, if the relevant corporation entity is the holding company entity of a group but 
not of a pro forma group, be a reference to the group, or, if the relevant corporation entity is the holding company entity of a pro forma group, be a reference 
to the pro forma group.

**Organisational Structure**

8. If the relevant corporation entity is part of a group, briefly describe the group, 
and the relevant corporation entity’s position within the group. If the relevant corporation entity is a holding company entity of a group or pro forma group,
provide information on every subsidiary and associated company, subsidiary entity and associated entity, of the relevant corporation, being a subsidiary or associated company, subsidiary entity or associated entity, as the case may be, the absolute amount of the net assets (liabilities) or profit (loss) before tax of which accounts for 10% or more of the absolute amount of the net assets (liabilities) or profit (loss) before tax respectively of the group or pro forma group, as the case may be, for any of the 2 most recent completed financial years. Such information shall include, including the name, country of incorporation or constitution and principal place of business, principal activities, proportion of ownership interest of the relevant corporation and, if different, proportion of voting power held by the relevant corporation.

**Trend Information and Profit Forecast or Profit Estimate**

9. Discuss, for at least the current financial year, the business and financial prospects, the most significant recent trends in production, in sales and inventory, and in the costs and selling prices of products and services, and the state of the order book, since the most recent financial year, as well as any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the prospectus to be not necessarily indicative of future operating results or financial condition of the relevant corporation. If there is no such trend, provide an appropriate statement stating to that effect.

(9) **Explanatory Note**: The requirement relating to business and financial prospects and trends has been shifted to the section on “convertible debentures”. MAS is of the view that such information is likely to be more relevant for investors who are considering to invest in shares or equity interests of the issuer.

10. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

11. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 10 of this Part, is consistent with the accounting policies adopted by the relevant corporation, and is presented in
accordance with the accounting standards adopted by the relevant corporation in the preparation of its financial statements.

11A. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant corporation, provide in addition to the statement referred to in paragraph 11 of this Part —

(a) a statement by the issue manager of the offer or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or

(b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 10 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

11B. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant corporation, provide in addition to the statement referred to in paragraph 11 of this Part —

(a) a statement by the issue manager of the offer or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 10 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

(b) a statement by an auditor of the relevant entity prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 10 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

12. In paragraphs 9, 11, 11A and 11B of this Part, a reference to the relevant corporation shall, if the relevant corporation is the holding
company entity of a group but not of a pro forma group, be a reference to the group, or, if the relevant company entity is the holding company entity of a pro forma group, be a reference to the pro forma group.

PART VI

CONTROLLING SHAREHOLDERS, DIRECTORS, KEY EXECUTIVES AND EMPLOYEES

Directors and Key Executives

1. Provide the following information with respect to the directors or equivalent persons and key executives of the relevant company entity and any employee of the group, such as a scientist, researcher or designer, upon whose work the relevant company entity is dependent:

   (a) name, details of past working experience, educational and professional qualification, if any, and areas of responsibility in the relevant company entity or, if the relevant company entity is the holding company entity of a group but not of a pro forma group, in the group, or, if the relevant company entity is the holding company entity of a pro forma group, in the pro forma group; and

   (b) any principal business activity performed outside the relevant company entity or, if the relevant company entity is the holding company entity of a group but not of a pro forma group, the group, or, if the relevant company entity is the holding company entity of a pro forma group, the pro forma group, and any present principal directorship or equivalent position held or principal directorship at present and in the last 5 years other than that directorship in the relevant company entity.

Controlling Shareholders

2. To the extent known to the relevant company entity, state whether the relevant company entity is directly or indirectly owned or controlled by, whether severally or jointly, any person or another corporation, government or other natural or legal person whether severally or jointly; and if so, give the name of such corporation, government or person or government, and briefly describe the nature of such control, including the amount and proportion of capital held giving a right to vote.
Material Background information

3. Disclose the following matters concerning a director or equivalent person, key executive, or controlling shareholder or controlling interest-holder of the relevant corporation entity if material in the context of the offer:

(a) whether at any time during the last 10 years, a petition under any bankruptcy laws of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;

(b) whether at any time during the last 10 years, a petition under any law of any jurisdiction was filed against a corporation an entity (not being a partnership) of which he was a director or equivalent person or a key executive, at the time when he was a director or equivalent person or a key executive of the entity or at any time within two years from the date he ceased to be a director or equivalent person or a key executive, for the winding up of that corporation or dissolution of that entity or where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

(c) whether there is any unsatisfied judgment against him;

(d) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment for 3 months or more, or has been the subject of any criminal proceedings (including any pending criminal proceedings which he is aware of) for such purpose;

(e) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings which he is aware of) for such breach;

(f) whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings which he is aware
of involving an allegation of fraud, misrepresentation or dishonesty on his part;

(g) whether he has ever been convicted in Singapore or elsewhere of any
offence in connection with the formation or management of any
corporation entity or business trust;

(h) whether he has ever been disqualified from acting as a director or
equivalent person of any corporation entity (including the trustee of a
business trust), or from taking part directly or indirectly in the management
of any corporation entity or business trust;

(i) whether he has ever been the subject of any order, judgment or ruling of
any court, tribunal or governmental body permanently or temporarily
enjoining him from engaging in any type of business practice or activity;

(j) whether he has ever, to his knowledge, been concerned with the
management or conduct, in Singapore or elsewhere, of the affairs of —

(i) any corporation which has been investigated for a breach of any
law or regulatory requirement governing corporations in Singapore or
elsewhere;

(ii) any entity (not being a corporation) which has been investigated
for a breach of any law or regulatory requirement governing such
entities in Singapore or elsewhere;

(iii) any business trust which has been investigated for a breach of any
law or regulatory requirement governing business trusts in Singapore
or elsewhere; or

(iv) any corporation or partnership entity, or any business trust,
which has been investigated for a breach of any law or regulatory
requirement that relates to the securities or futures industry in
Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he
was so concerned with the corporation or partnership entity or business trust.
Service Contracts

4. Provide details of any existing or proposed service contract entered or to be entered into by the directors or equivalent persons of the relevant corporation with the relevant corporation or its subsidiary or subsidiary entity, which provide for benefits upon termination of employment, or an appropriate negative statement.

PART VII

INTERESTED PERSON TRANSACTIONS AND INTERESTS OF EXPERTS, UNDERWRITERS AND FINANCIAL ADVISERS

Interested Person Transactions

1. Provide the following information with respect to each transaction or loan, or proposed transaction or loan, for the period starting from the beginning of the period comprising the 2 most recent completed financial years and ending on the latest practicable date, between the entity at risk and an interested person of the relevant corporation, which are material in the context of the offer:

(a) the nature of the transaction and the quantum involved;

(b) the amount of the loan (including a guarantee of any kind) made by the entity at risk or interested person to or for the benefit of the interested person or entity at risk respectively; the information provided must include the largest amount outstanding during the period covered, the amount outstanding as at the latest practicable date, the nature of the loan and the transaction in which it was incurred, and the interest rate on the loan.

2. For each transaction referred to in paragraph 1 of this Part —

(a) that has been completed or will be completed at or before the close of the offer or invitation, disclose whether or not the transaction has been or will be carried out on an arm’s length basis;

(b) that will continue after the close of the offer or invitation, disclose —

(i) whether or not the transaction has been carried out on an arm’s length basis; and
(ii) the procedure undertaken or which will be undertaken to ensure that such transaction will be carried out on an arm’s length basis; or

(c) that has been proposed, disclose the procedure which will be undertaken to ensure that such transaction will be carried out on an arm’s length basis.

2A. For each loan referred to in paragraph 1 of this Part —

(a) that has been repaid or will be repaid at or before the close of the offer or invitation, disclose whether or not the loan was made on an arm’s length basis;

(b) that is to be repaid, whether partly or wholly, after the close of the offer or invitation, disclose —

(i) whether or not the loan was made on an arm’s length basis; and

(ii) when the loan is intended or required to be repaid; and

(c) that has been proposed, disclose the procedure which will be undertaken to ensure that such loan will be made on an arm’s length basis.

2B. Where transactions or loans between the entity at risk and an interested person of the relevant entity are similar and recurring in nature or could otherwise be grouped in a meaningful manner, the information required with respect to the transactions or loans in paragraphs 1, 2 and 2A of this Part should be provided on an aggregate basis, if the aggregate of these transactions or loans are material in the context of the offer.

Interests of Experts

3. If an expert named in the prospectus —

(a) is employed on a contingent basis by the relevant corporation or its subsidiary or subsidiary entity;

(b) has a material interest, whether direct or indirect, in the shares, equity interests or debentures of the relevant corporation or its subsidiary or subsidiary entity; or
(c) has a material economic interest, whether direct or indirect, in the relevant corporation entity, including an interest in the success of the offer, describe the nature and terms of such contingency or interest.

**Interests of Underwriters or Financial Advisers**

4. If, in the reasonable opinion of the directors or equivalent persons, any underwriter or other financial adviser in relation to the offer has a material relationship with the relevant corporation entity, describe the nature and terms of such relationship.

**PART VIII**

**FINANCIAL INFORMATION**

1. Where the relevant corporation entity has engaged auditors other than its own auditors in relation to any requirement under this Part, any reference to “auditor” or “auditors” in this Part shall include the first-mentioned auditors.

2. In the case of a guaranteed debenture issue, the information required under this Part shall also be given of the guarantor corporation entity.

**Audited Financial Information**

3. Provide —

(a) the annual financial statements of the relevant corporation entity or, if the relevant corporation entity is a holding company entity, its annual consolidated financial statements, for the 2 most recent completed financial years or, where the relevant corporation entity has been in existence for less than 2 completed financial years, for each of the financial years during which it has been in existence; and

(b) if —

(i) the relevant corporation is the holding company of a group and has been incorporated for less than 2 completed financial years; and

(ii) the absolute amount of the net assets (liabilities) or profit (loss) before tax stated in the annual consolidated financial statements of a company which was the holding company of the group immediately
before the relevant corporation became the holding company (referred to in this paragraph as the previous holding company) accounted for 75% or more of the absolute amount of the net assets (liabilities) or profit (loss) before tax of the pro forma group as stated in the pro forma group financial statements referred to in paragraph 12 of this Part,

the annual consolidated financial statements of the previous holding company for the 2 most recent completed financial years, excluding such financial statements for any financial year for which annual consolidated financial statements of the relevant corporation are provided under sub-paragraph (a).

4. The annual financial statements to be provided under paragraph 3 of this Part must be statements —

(a) prepared in accordance with the Singapore Statements of Accounting Standards (SAS), International Accounting Standards (IAS) Financial Reporting Standards (“FRS”), International Financial Reporting Standards (“IFRS”), US Generally Accepted Accounting Principles (US GAAP), or such other accounting standards as may be approved in any particular case by the Authority; or

(b) in a case where such annual financial statements were not prepared in accordance with the accounting standards referred to in sub-paragraph (a), re-stated in accordance with any of the accounting standards referred to in that sub-paragraph (a); or

(c) in a case where the statements are not prepared in accordance with any of the accounting standards referred to in sub-paragraph (a) but where no material adjustments are required to re-state the annual financial statements in accordance with any of the accounting standards referred to in sub-paragraph (a), accompanied by an opinion from the auditors that no material adjustments would be required to re-state the annual financial statements to be in accordance with the FRS, IFRS or US GAAP, as the case may be; or

(d) prepared in accordance with such other body of accounting standards as may be approved in any particular case by the Authority.

4A. State, in respect of each financial year, the body of accounting standards that was adopted by the relevant entity in the preparation of the annual financial statements provided under paragraph 3 of this Part and where annual financial
statements have been re-stated pursuant to paragraph 4(b) of this Part, the body of accounting standards in accordance with which the underlying financial statements have been restated.

5. The annual financial statements to be provided under paragraph 3 of this Part must be audited, except where they have been re-stated pursuant to paragraph 4(b) of this Part, in which case, the underlying annual financial statements which form the basis for the re-stated annual financial statements must be audited. For at least the most recent completed financial year, the annual financial statements to be provided under paragraph 3 of this Part or, in the case where annual financial statements have been re-stated pursuant to paragraph 4(b) of this Part, the underlying financial statements, must be audited in accordance with—

(a) the Singapore Standards on Auditing (SSA), International Standards on Auditing (ISA), or US Generally Accepted Auditing Standards (US GAAS), or such other auditing standards as may be approved in any particular case by the Authority;

(b) such auditing standards which are not materially different from any of the auditing standards referred to in sub-paragraph (a) to the extent applicable in the audit of those annual financial statements; or

(c) such other auditing standards as may be approved in any particular case by the Authority, and if the most recent completed financial year is for a period that is less than 6 months, the annual financial statements or the underlying financial statements in respect of the financial year preceding the most recent completed financial year must also be audited in accordance with any of those auditing standards referred to in sub-paragraphs (a), (b) and (c).

6. State, in respect of each financial year, whether the body of auditing standards that was adopted by the auditors of the relevant entity in the audit of the annual financial statements provided under paragraph 3 of this Part or, in the case where annual financial statements have been re-stated pursuant to paragraph 4(b) of this Part, the underlying financial statements are audited in accordance with the auditing standards referred to in paragraph 5 of this Part.

6A. Where the annual financial statements to be provided under paragraph 3 of this Part or, in the case where annual financial statements have been re-stated pursuant to paragraph 4(b) of this Part, the underlying financial statements, are audited in
accordance with auditing standards referred to in paragraph 5(b) of this Part, include in the prospectus an opinion from the auditors of the relevant entity that there are no material differences between the auditing standards adopted by them in the audit of the annual financial statements, or the underlying financial statements, as the case may be, and the SSA, ISA or US GAAS to the extent applicable in the audit of those annual financial statements or underlying financial statements.

7. Where the annual financial statements to be provided under paragraph 3 of this Part are re-stated pursuant to paragraph 4 (b) of this Part, state that fact and include in the prospectus —

(a) an opinion from the auditors of the relevant entity that nothing has come to their attention that causes them to believe that the re-stated annual financial statements have not been properly re-stated in all material respects in accordance with the accounting standards referred to in paragraph 4 (a) of this Part;

(b) a statement of reconciliation from the re-stated annual financial statements to the audited annual financial statements which form the basis for the re-stated annual underlying financial statements; and

(c) a statement that copies of the audited annual financial statements, which form the basis for the re-stated annual underlying financial statements, are available for inspection at a specified place in Singapore for a period of at least 6 months from the date of registration of the prospectus by the Authority.

8. The annual financial statements to be provided under paragraph 3 of this Part shall be accompanied by:

(a) the audit reports of those annual financial statements; or

(b) where the annual financial statements have been re-stated pursuant to paragraph 4 (b) of this Part, the audit reports of those annual financial statements which form the basis for the re-stated annual financial statements.

(i) a statement that the underlying financial statements have been audited.
(ii) an identification of the auditors who audited the underlying financial statements, together with their memberships in a professional body. For the avoidance of doubt, where the underlying financial statements in respect of one or more financial years were audited by different auditors, identify all such auditors;

(iii) a statement that the audit reports for the underlying financial statements do not contain any material qualification. If any of the audit reports contains any material qualification, modification or disclaimer, reproduce such qualification, modification or disclaimer in full in the prospectus and provide the reason for such material qualification, modification or disclaimer, as the case may be; and

(iv) a statement that the auditor for the underlying financial statements has given and not withdrawn his written consent to the issue of the prospectus with the inclusion of the statements referred to in sub-paragraphs (i), (ii) and (iii) above in the form and context in which they are included in the prospectus.

In addition, provide the following if they are not already included in the annual financial statements provided under paragraph 3 of this Part or, in the case where annual financial statements have been re-stated pursuant to paragraph 3(b) of this Part, the underlying financial statements:

(a) a note analyzing the changes in each item of shareholders’ or interest-holders’ equity presented in the balance sheet; and

(b) a statement showing either —

(i) all changes in equity; or

(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders or interest-holders.

9. Identify the auditors who audited the annual financial statements referred to in paragraph 3 of this Part, together with their memberships in a professional body. For the avoidance of doubt, where the annual financial statements referred to in paragraph 3 of this Part in respect of one or more financial years were audited by different auditors, identify all such auditors.

10. If the auditors referred to in paragraph 9 of this Part had refused to issue an audit report on any of the annual financial statements provided under paragraph 3 of
this Part, or if any of the audit reports referred to in paragraph 8(a) of this Part contains any material qualification, modification or disclaimer, highlight such refusal or such qualification, modification or disclaimer in the prospectus and provide the reason for it.

11. The most recent audited financial statements included in the prospectus shall be made up to a date not earlier than 12 months before the date of lodgment of the prospectus.

11A. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, annual financial statements for the most recent completed financial year need not be provided under paragraph 3 of this Part, and a reference to the most recent completed financial year in paragraphs 3 and 5 of this Part shall be a reference to the financial year preceding the most recent completed financial year.

11B. In paragraphs 4 to 10 of this Part, the reference to “annual financial statements” shall include a reference to annual consolidated financial statements referred to in paragraph 3 of this Part.

11C. In paragraphs 5 to 8 of this Part, a reference to “underlying financial statements” means the annual financial statements that form the basis for the restated annual financial statements.

Pro forma Financial Information

12. Provide, in addition to the annual financial statements required under paragraph 3 of this Part, the annual consolidated financial statements profit and loss statements, annual consolidated cash flow statement and consolidated balance sheet of the pro forma group, in each of the following cases:

(a) where the relevant corporation entity has been in existence for less than 2 completed financial years; or

(b) where there has been a material change to the structure of the group during the period starting from the beginning of the period comprising the 2 most recent completed financial years and ending on the date of lodgment registration of the prospectus by the Authority.

13. The annual consolidated profit and loss statements of the pro forma group referred to in paragraph 12 of this Part shall be prepared —
(a) in a case where none of the entities of the pro forma group, the financial statements of which were used in the preparation of the pro forma financial statements, was in existence at the beginning of the period comprising the 2 most recent completed financial years, for every financial year of the pro forma group, from the financial year in which financial statements were first prepared for any of those entities to the most recent completed financial year; or

(b) in any other case, for the 2 most recent completed financial years,

except for the financial years corresponding with the same period of time for which the annual profit and loss statements of the relevant entity have been included in the prospectus under paragraph 3 of this Part.

14. The annual consolidated cash flow statement of the pro forma group referred to in paragraph 12 of this Part shall be— for each of the 2 most recent completed financial years shall be included in the prospectus, unless the annual cash flow statement of the relevant entity for each of the 2 most recent completed financial years corresponding with the same period of time have been included in the prospectus under paragraph 3 of this Part.

14A. The consolidated balance sheet of the pro forma group referred to in paragraph 12 of this Part shall be—in as at the end of each of the 2 most recent completed financial years shall be included in the prospectus, unless the balance sheet of the relevant entity as at the end of each of the 2 most recent completed financial years have been included in the prospectus under paragraph 3 of this Part.

15. The pro forma profit and loss statement must illustrate what the financial results of the group would have been for each financial year in the period specified in paragraph 13 (a) or (b) of this Part, as the case may be, if the group structure as of the date of registration of the prospectus had been in place since the beginning of that period.

16. The pro forma cash flow statement must illustrate what the financial cash flows of the group would have been for each of the 2 most recent completed financial years if the group structure as of the date of registration of the prospectus had been in place since the beginning of that financial year.

16A. The pro forma balance sheet must illustrate what the financial position of the group would have been as at the end of each of the 2 most recent completed
financial years if the group structure as of the date of registration of the prospectus had been in place on that date.

17. In respect of the pro forma financial statements required under paragraph 12 of this Part, state —

   (a) that they are prepared for illustrative purposes only and based on certain assumptions after making certain adjustments to show what —

   (i) the financial results of the group would have been for each financial year in the period specified in paragraph 13 (a) or (b) of this Part, as the case may be, if the group structure as of the date of registration of the prospectus had been in place since the beginning of that period;

   (ii) the cash flows of the group would have been for each of the 2 most recent completed financial years if the group structure as of the date of registration of the prospectus had been in place since the beginning of that financial year period; and

   (iii) the financial position of the group would have been as at the end of each of the 2 most recent completed financial years if the group structure as of the date of registration of the prospectus had been in place on that date;

   (b) that because of their nature, they may not give a true picture of the group’s actual financial position or results;

   (c) the basis upon which they are prepared, and the source of each item of information; and

   (d) any material adjustment made to any information used in the preparation of the pro forma financial statements and the reason for it.

18. Provide details of any transfer to and from any reserve in respect of the most recent completed financial year if the transfer is not reflected in the pro forma results for the financial year.

19. With respect to the pro forma financial statements —

   (a) identify the entities within the pro forma group; and
(b) provide a statement that the pro forma financial information included in the prospectus has been properly prepared from—

(i) financial statements of entities or consolidated financial statements of groups of entities in the pro forma group; and

(ii) where any entity or group of entities in the pro forma group has acquired any business divisions, assets or undertakings from another entity or group of entities—

(A) financial statements of such business divisions, assets or undertakings; or

(B) financial statements of entities or consolidated financial statements of groups of entities from whom such business divisions or assets and undertakings were acquired;

(c) provide a statement—

(i) that the financial statements or consolidated financial statements referred to in paragraph 19(b) of each entity used in the preparation of the pro forma financial statements were—

(iA) prepared in accordance with the SAS, IASFRS, IFRS, US GAAP, or such other accounting standards as may be approved in any particular case by the Authority; or

(iiB) in a case where such financial statements were not prepared in accordance with the accounting standards referred to in sub-paragraph (i), re-stated in accordance with any of the accounting standards referred to in that sub-paragraph (A); or

(C) prepared in accordance with such other body of accounting standards as may be approved in any particular case by the Authority; or

(ii) in a case where any financial statements or consolidated financial statements referred to in paragraph 19(b) used in the preparation of the pro forma financial statements are not prepared in accordance with any of the accounting standards referred to in sub-paragraph (i)(A) but
where no material adjustments are required to re-state the financial statements or consolidated financial statements in accordance with any of such accounting standards, that no material adjustments would be required to re-state such financial statements or consolidated financial statements to be in accordance with the FRS, IFRS or US GAAP, as the case may be; and

(d) state, in respect of each financial statements or consolidated financial statements referred to in paragraph 19(b) used in the preparation of the pro forma financial statements, the body of accounting standards that was adopted by the entity or group of entities in the preparation of its such financial statements or consolidated financial statements or, in the case whether financial statements or consolidated financial statements have been restated pursuant to sub-paragraph (c)(i)(B), the body of accounting standards in accordance with which the financial statements or consolidated financial statements have been restated.

(c) for any entity which individually accounted for 10% or more of the net assets (liabilities) or profit (loss) before tax stated in the pro forma financial statements, identify the auditors of the entity who audited such entity’s financial statements which were used in the preparation of the pro forma financial statements; or, if any of the financial statements of such entity have not been audited, state that fact; and

(d) if the auditors referred to in sub-paragraph (c) had refused to issue an audit report on any of the financial statements of an entity which were used in the preparation of the pro forma financial statements or, if any of the audit reports contains any material qualification, modification or disclaimer, reproduce such refusal, qualification, modification or disclaimer in full in the prospectus and provide the reason for it.

19A. The financial statements or consolidated financial statements referred to in paragraph 19(b) used in the preparation of the pro forma financials statements shall be audited, unless the absolute amount of the net assets (liabilities) or profit (loss) before tax stated in such financial statements or consolidated financial statements account for less than 10% of the absolute amount of the net assets (liabilities) or profit (loss) before tax of the pro forma group, or under such other circumstances as may be approved in any particular case by the Authority.

19B. The financial statements or consolidated financial statements referred to in paragraph 19A of this Part must be audited in accordance with -
(a) the SSA, ISA or US GAAS;

(b) such auditing standards which are not materially different from the auditing standards referred to in sub-paragraph (a) to the extent applicable in the audit of those financial statements; or

(c) such other body of auditing standards as may be approved in any particular case by the Authority.

19C. In respect of the financial statements or consolidated financial statements referred to in paragraph 19A of this Part—

(a) state the body of auditing standards that was adopted by the auditors in the audit of the financial statements or consolidated financial statements;

(b) identify the auditors who audited the financial statements or consolidated financial statements, together with their memberships in a professional body. For the avoidance of doubt, where financial statements or consolidated financial statements in respect of one or more financial years were audited by different auditors, identify all such auditors; and

(c) in a case where the financial statements or consolidated financial statements are audited in accordance with auditing standards referred to in paragraph 19B(b) of this Part, include in the prospectus an opinion from the auditors that there are no material differences between the auditing standards adopted by them in the audit of the financial statements and the SSA, ISA or US GAAS to the extent applicable in the audit of those financial statements.

20. Include, in the prospectus, —

an opinion from the auditors as to whether the pro forma financial statements have been properly prepared in a manner consistent with both the format of the financial statements and the accounting policies of the relevant corporation

(a) a statement that the financial statements or consolidated financial statements referred to in paragraph 19A of this Part which form the basis of preparation of the pro forma financial statements have been audited;
(b) a statement that the audit reports for the financial statements or consolidated financial statements referred to in paragraph 19A of this Part do not contain any material qualification, or if any of the audit reports contains any material qualification, modification or disclaimer, a reproduction of such qualification, modification or disclaimer in full in the prospectus and the reason for such qualification, modification or disclaimer, as the case may be; and

(c) a statement that the auditor for the financial statements or consolidated financial statements referred to in paragraph 19A of this Part has given and not withdrawn his written consent to the issue of the prospectus with the inclusion of the statements referred to in sub-paragraphs (a) and (b) above in the form and context in which they are included in the prospectus.

21. Include, in the prospectus, an opinion from the auditors of the relevant entity that —

(a) the pro forma financial statements have been properly prepared on the basis stated in paragraph 17—(c) of this Part and in accordance with paragraphs 19-(b) and (c), 19A and 19B of this Part; and

(b) each material adjustment made to the information used in the preparation of the pro forma financial statements is appropriate for the purpose of preparing such financial statements.

22. The most recent pro forma financial statements to be provided under paragraph 12 of this Part shall be made up to a date not earlier than 12 months before the date of lodgment of the prospectus.

23. Where the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, any entity within the group, or, if the relevant corporation is the holding company of a pro forma group, any entity within the pro forma group, has entered into any agreement to acquire or dispose of one or more assets (including any entity) and —

(a) the net book value or the absolute amount of the profit (loss) before tax of any of these assets accounted for 10% or more of the absolute amount of the net assets (liabilities) or profit (loss) before tax respectively, of the relevant corporation, the group or the pro forma group, as the case may be, in respect of any of the 2 most recent completed financial years; or
(b) the net book value or the absolute amount of the profit (loss) before tax of all of these assets together accounted for 20% or more of the absolute amount of the net assets (liabilities) or profit (loss) before tax respectively, of the relevant corporation, the group or the pro forma group, as the case may be, in respect of any of the 2 most recent completed financial years, and such acquisition or acquisitions, or, disposal or disposals, have not been completed as of the date of lodgment of the prospectus before the end of the most recent completed financial year, state —

(i) in respect of each of the 2 most recent financial years, the financial effect of the acquisition or acquisitions, or disposal or disposals, on the earnings (loss) per share; and

(ii) in respect of the end of the most recent financial year, the financial effect of the acquisition or acquisitions, or disposal or disposals, on the net tangible assets (liabilities) per share,

(10) MAS seeks your views on the relevance of using measures such as earnings and net tangible assets for debenture holders (in the context of paragraph 23) and your suggestions on alternative measures that should be considered.

of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, of the group, or, if the relevant corporation is the holding company of a pro forma group, of the pro forma group.

24. In respect of the financial effects referred to in paragraph 23 (i) and (ii) of this Part, state —

(a) that they are prepared for illustrative purposes only and based on certain assumptions after making certain adjustments;

(b) that because of their nature, they may not give a true picture of the actual earnings (loss) per share or net tangible assets (liabilities) per share of the relevant corporation, group or pro forma group, as the case may be;

(c) the basis and any assumption upon which they are prepared, and the source or sources of information used in their computation; and
(d) any material adjustment made to the information used in the computation and the reason for it.

25. Include in the prospectus an opinion from the auditors that —

(a) the financial effects referred to in paragraph 23 (i) and (ii) of this Part have been properly computed on the basis stated in paragraph 24 (c) of this Part; and

(b) each material adjustment made to the information used in the computation of the financial effects is appropriate for the purpose of such computation.

25A. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, the financial statements for the most recent completed financial year need not be provided under paragraph 12 of this Part, in which case, the reference to the most recent completed financial year in paragraphs 12 to 14, 16 to 18 and 23 of this Part shall be a reference to the financial year preceding the most recent completed financial year.

25B. In paragraphs 12 to 14A of this Part —

(a) the reference to “annual financial statements” shall include a reference to annual consolidated financial statements referred to in paragraph 3 of this Part;

(b) the reference to “profit and loss statements” shall include a reference to consolidated profit and loss statements referred to in paragraph 3 of this Part;

(c) the reference to “cash flow statements” shall include a reference to consolidated cash flow statements referred to in paragraph 3 of this Part;

(d) the reference to “balance sheet” shall include a reference to consolidated balance sheet referred to in paragraph 3 of this Part.

Interim Financial Information

26. If the date of lodgment of the prospectus is later than more than 9 months after the end of the most recent completed financial year for which audited or pro forma financial statements, as the case may be, were prepared, provide the interim financial statements of the relevant corporation or, if the relevant
corporation entity is the holding corporation entity of a group but not of a pro forma group, of the group, or, if the relevant corporation entity is the holding corporation entity of a pro forma group, of the pro forma group.

27. If the date of lodgment of the prospectus is more than 9 months but less than 12 months from the end of the most recent completed financial year for which audited or pro forma financial statements, as the case may be, were prepared, the interim financial statements provided under paragraph 26 of this Part need not be audited (in which case that fact should be stated) and must cover at least the first 6 months of the current financial year.

27A. If the date of lodgment of the prospectus is more than 12 months but less than 15 months from the end of the most recent completed financial year for which audited or pro forma financial statements, as the case may be, were prepared, the interim financial statements provided under paragraph 26 of this Part shall be audited and must cover at least the first 6 months of the most recent completed financial year.

28. The interim financial statements provided must be prepared in the same format as the audited financial statements provided under paragraph 3 of this Part or the pro forma financial statements provided under paragraph 12 of this Part, as the case may be.

29. Include the following in the interim financial statements:

(a) a note analyzing the change in each item of shareholders’ or interest-holders’ equity presented in the balance sheet;

(b) a statement showing either —

(i) all changes in equity; or

(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders or interest-holders;

(c) comparative figures (other than balance sheet figures) for the same period in the preceding previous financial year in respect of —

(i) the relevant corporation entity or, if the relevant corporation entity is the holding corporation entity of a group, the group, unless the relevant
corporation or the group, as the case may be, has been in existence for less than one completed financial year; or

(ii) the pro forma group, unless all the entities of the pro forma group, the financial statements of which were used in the preparation of the pro forma financial statements, have been in existence for less than one completed financial year; the pro forma financial statements are not required to be prepared for the most recent completed financial year under paragraph 13 of this Part; and

(d) selected note disclosures that provide an explanation of any event or change that is significant to the understanding of any change in the financial position and results of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, of the group, or, if the relevant corporation is the holding company of a pro forma group, of the pro forma group, since the last annual reporting date.

30. Include in the prospectus, a report by the auditors of the relevant entity on the audit of the interim financial statements or, if the interim financial statements are not audited, a report review by the auditors on the review of the interim financial statements.

**Change in Accounting Policies**

31. Where there has been a material change to the relevant corporation’s accounting policies, provide a summary of the material change in the accounting policies, and the reason for and quantitative impact of such change on the financial results of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, the financial results of the group, or, if the relevant corporation is the holding company of a pro forma group, the financial results of the pro forma group, for each of the 2 most recent completed financial years. If the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, the reference to the most recent completed financial year in this paragraph shall be a reference to the financial year preceding the most recent completed financial year.

**Litigation**

32. Provide information on any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have had in the
last 12 months before the date of lodgment of the prospectus, a material effect on the relevant entity’s financial position or profitability.

**Significant Changes**

33. Disclose any event that has occurred since the end of the period covered by the most recent financial statements, whether such financial statements are audited or pro forma or interim, included in the prospectus and up till the latest practicable date, which may have a material effect on the financial position and results of the group or pro forma group, as the case may be, or, if there is no such event, provide an appropriate negative statement.

**Secured Debentures**

34. Provide, in relation to a public offer of secured debentures or certificates of debenture stock, a summary by the auditors showing in tabular form, the aggregate value of the tangible assets of the relevant entity, one or more of its guarantor entities, or the relevant entity and one or more of its guarantor entities, which have been charged to secure the repayment of all moneys, including an explanation of any adjustment made for the purpose of providing a true and fair view of those assets.

35. Show also in the summary or otherwise —

(a) the amount outstanding out of the aggregate amount borrowed respectively by the relevant entity and by its guarantor entity, distinguishing between those which will rank for repayment in priority to the proposed issue and those which will rank pari passu with that issue;

(b) where the charge is for a liability the amount of which may vary from time to time, the actual amount of the liability as of the date on which the summary is made up and any further amount which may be advanced under that charge; and

(c) the aggregate amount of advances by the relevant entity to related corporations or related entities of the relevant entity, distinguishing between advances which are secured and advances which are unsecured.
36. The auditors may explain or qualify by way of note or otherwise any of the matters set out in the summary.

PART IX

THE OFFER AND LISTING

Offer andListing Details

1. Indicate the issue premium or discount at which the debentures or units of debentures, as the case may be, are being offered and the amount of any expense specifically charged to the subscriber or purchaser.

2. Indicate whether the debentures or units of debentures, as the case may be, being offered are in registered or bearer form.

3. Describe the arrangement for transfer and any restriction on the free transferability of the debentures or units of debentures, as the case may be, being offered.

Plan of Distribution

4. Where not all of the debentures or units of debentures, as the case may be, being offered are underwritten or guaranteed, provide a statement of the portion not so underwritten or guaranteed.

5. State whether or not the relevant corporation entity reserves the right to accept or retain over-subscriptions and, if the relevant corporation entity reserves such a right, the limit on the right so reserved expressed as a sum of money. Also, indicate whether the amount of the offer can be increased, such as by the exercise of an underwriter’s over-allotment option, and state the exercise period of and amount under such option.

6. If applicable, identify any group of targeted potential investors to whom the debentures or units of debentures, as the case may be, are offered. If the offer is being made simultaneously in the markets of 2 or more countries and if a tranche has been or is being reserved for any of these countries, indicate any such tranche.

Markets

7. Identify the securities exchange or overseas securities exchange on which —
(a) debentures or units of debentures, as the case may be, of the same class as those being offered are already listed for quotation or quoted or on which permission to list for quotation or quote the debentures or units of debentures is being or is proposed to be sought; and

(b) any part of the equity securities, shares or equity interests of the relevant corporation is already listed for quotation or quoted or on which permission to list for quotation or quote any part of the equity securities, shares or equity interests is being or is proposed to be sought, specifying the names of the securities exchange or overseas securities exchange on which the relevant corporation's primary listing is or is to be, or an appropriate negative statement.

8. When permission to list for quotation or quote on any securities exchange or overseas securities exchange is being or is proposed to be sought in respect of the first-mentioned debentures or units of debentures in paragraph 7 of this Part or the debentures or units of debentures which are the subject of the current offer, state that fact without creating the impression that the application for permission will necessarily be approved. If known, provide the dates on which such debentures or units of debentures will be listed for quotation or quoted and on which trading will commence.

**Expenses of the Offer**

9. State the amounts or estimated amounts of the expenses of the offer and the persons to whom these amounts have been paid or are payable.

**PART X**

**ADDITIONAL INFORMATION**

**Capital**

1. In the case where the relevant entity is a corporation, state the amount of issued share capital in respect of the relevant corporation as of the date of the most recent balance sheet and as of the date of lodgment of the prospectus and, for each class of share capital, provide the following information:

   (a) the number of shares authorised;
(b) the number of shares issued and fully paid;

(c) the number of shares issued but not fully paid;

(d) the nominal par value per share, or that the shares have no nominal par value; and

(e) a reconciliation of the number of shares outstanding at the beginning and end of the most recent completed financial year; if more than 10% of capital has been paid for with assets other than cash within the period of 2 years before the date of lodgment of the prospectus, state that fact.

1A. In the case where the relevant entity is an entity (not being a corporation), state the amount of equity capital in respect of the relevant entity as of the date of the most recent balance sheet and as of the date of lodgment of the prospectus and, for each class of equity capital, provide the following information:

(a) the amount of equity interests issued and fully paid;

(b) the amount of equity interests issued but not fully paid; and

(c) a reconciliation of the amount of equity interests outstanding at the beginning and end of the most recent completed financial year; if more than 10% of the amount of equity interests has been paid for with assets other than cash within the period of 2 years before the date of lodgment of the prospectus, state that fact.

2. Provide information on the number and amount of securities or equity interests in the relevant corporation entity which have been issued, or agreed to be issued, in the 2 years before the date of lodgment of the prospectus as fully or partly paid-up in cash or otherwise than in cash and where any of these are issued as partly paid-up in cash, the extent to which they are so paid up. In both cases, state the consideration for which those securities or equity interests have been issued or agreed to be issued.

3. Indicate the number, book value and face value of shares or equity interests in the relevant corporation entity, if any, held by or on behalf of the relevant corporation entity itself or by the relevant corporation’s subsidiary or subsidiary entity.
4. Provide the description, number and amount of any securities or equity interests in the relevant corporation entity which any person has, or has the right to be given, an option to subscribe for or purchase, together with the following particulars of the option:

(a) the period during which the option is exercisable;

(b) the exercise price;

(c) the consideration, if any, given or to be given for the option or for the right to the option; and

(d) the names of the persons to whom the option or the right to it was given; if the option or the right to it was given to all existing holders of the shares or equity interests in, or debentures of, the relevant corporation entity on a pro-rata basis or to employees under an employees’ share option scheme, it will be sufficient to state that fact without giving the names.

5. Provide an indication of the resolutions, authorisations and approvals by virtue of which any debentures or units of debentures of the relevant corporation entity may be issued, the nature of the issue and amount thereof and the number of debentures or units of debentures which may be issued, if predetermined.

Constituent Documents of Relevant Corporation Entity

6. Provide a summary of the provisions of the relevant corporation entity’s constituent documents and bylaws with respect to the borrowing powers exercisable by the directors or equivalent persons of the relevant entity and how such borrowing powers may be varied, and the number of shares or amount of equity interests, if any, required for the qualification of a director or equivalent person.

Material Contracts

7. Provide a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant corporation entity or, if the relevant corporation entity is the holding company entity of a group but not of a pro forma group, any member of the group, or, if the relevant corporation entity is the holding company entity of a pro forma group, any member of the pro forma group, is a party, for the period of 2 years before the date of lodging of the prospectus, including the parties to the contract, the date and general nature of the contract, and
the amount of any consideration passing to or from the relevant corporation or any other member of the group or pro forma group, as the case may be.

**Taxation**

8. Provide information regarding taxes (including withholding provisions) to which debenture holders of the relevant corporation may be subject. If the relevant corporation is incorporated outside Singapore, the information shall include whether the relevant corporation assumes responsibility for the withholding of tax at source and applicable provisions of any reciprocal tax treaties between the home country of the relevant corporation and Singapore, or a statement, if applicable, that there are no such treaties.

**Statement by Experts**

9. Where a statement or report attributed to a person as an expert is included in the prospectus, provide such person’s name, address and qualifications.

10. Where the prospectus contains any statement (including what purports to be a copy of or extract from a report, memorandum or valuation) made by an expert or contains what purports to be a copy of or extract from a report, memorandum or valuation of an expert,--

    (a) state the date on which the statement, report, memorandum or valuation was made; and

    (b) state whether or not it was prepared by the expert for the purpose of incorporation in the prospectus; and

    (c) 11. Where the prospectus includes a statement purporting to be made by an expert, include a statement that the expert has given and has not withdrawn his written consent to the issue of the prospectus with the inclusion of the statement in the form and context in which it is included in the prospectus.

11. The information referred to in paragraphs (9) and (10) of this Part need not be provided in the prospectus if the statement attributed to an expert is a statement to which the exemption under regulation 22A is applicable.
Consents from Issue Managers and Underwriters

11A. Where a person is named in the prospectus as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given and has not withdrawn his written consent to being named in the prospectus as the issue manager or underwriter to the offer, as the case may be.

Documents for Inspection

12. Provide a statement that for a period of at least 6 months from the date of registration by the Authority of the prospectus, the following documents (or copies thereof), where applicable, may be inspected at a specified place in Singapore:

(a) the constituent documents of the relevant corporation;

(b) any trust deed, fiscal agency agreement or other document constituting the debentures or units of debentures, as the case may be;

(c) every material contract referred to in the prospectus or, where the contract is not reduced into writing, a memorandum giving full particulars thereof;

(d) the directors’ service contracts of directors or equivalent persons of the relevant entity referred to in the prospectus;

(e) every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the prospectus;

(f) the audited financial statements of the relevant corporation if the relevant corporation is not the holding company of a group or pro forma group;

(g) the respective audited financial statements of all the entities in the group which have audited financial statements, if the relevant corporation is the holding company of a group but not of a pro forma group, or of all the entities in the pro forma group which have audited financial statements if the relevant corporation is the holding company of a pro forma group, for each of the 2 most recent completed financial years;

(h) any interim financial statements of the relevant corporation, group or pro forma group, as the case may be, which are included in the prospectus whether or not pursuant to Part VIII of this Schedule;
(i) in the case of a corporation incorporated in Singapore, all notes, reports or information relating to the financial statements referred to in sub-paragraphs (f), (g) and (h) which are required to be prepared under the Companies Act (Cap. 50);

(j) where the financial statements of any entity in the group or pro forma group have been re-stated pursuant to paragraph 4 (b) or paragraph 19 (b) (ii) of Part VIII of this Schedule, the re-stated annual financial statements of that entity and the audited annual financial statements which form the basis for the re-stated annual financial statements; and

(k) in the case of a guaranteed debenture issue, documents (or copies thereof) referred to in paragraphs (f) to (j) of the guarantor corporation.

Information on Related Corporations and Related Entities

13. Provide the name of —

(a) every corporation which is, by virtue of section 6 (a) or (b) of the Companies Act, a related corporation of the relevant corporation; and

(b) every entity which is, by virtue of paragraph (1D) of the Fourth Schedule to these Regulations, a related entity of the relevant entity.

PART XI

ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

1. In paragraphs 4, 6 to 10 of this Part, a reference to the relevant corporation shall, if the relevant corporation is the holding corporation of a group but not of a pro forma group, be a reference to the group, or, if the relevant corporation is the holding corporation of a pro forma group, be a reference to the pro forma group.

Information on Convertible Debentures

2. Provide information concerning the nature of the securities, equity interests or property offered by way of conversion, exchange, subscription or purchase and the
rights attached thereto including, in particular, the voting rights, entitlement to share in profits and, in the event of liquidation, any surplus and any other special rights.

3. Provide information on the terms, conditions and procedures for conversion, exchange, subscription or purchase and details of the circumstances under which they may be amended, including the following information:

| (a) the total number or value of securities, equity interests or property which is the subject of the conversion, exchange, subscription or purchase; |
| (b) the period during which the conversion, exchange, subscription or purchase right may be exercised and the date on which this right commences; |
| (c) the amount payable on the exercise of the conversion, exchange, subscription or purchase right; |
| (d) any arrangement for the transfer or transmission of the conversion, exchange, subscription or purchase right; |
| (e) the rights of the holders of the debentures or units of debentures in respect of the conversion, exchange, subscription or purchase right on the liquidation of the corporation the securities, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase; |
| (f) any arrangement for the variation in the subscription price of the securities, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, or in the exercise price of the convertible debentures, or in the number or value of securities, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, in the event of any alteration in the capital of the corporation the securities, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase; and |
| (g) if there is no established market for the securities, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, the manner of determining the subscription or exercise or conversion price, including who established the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.
Research and Development

4. Provide a description of the material research and development policies of the relevant corporation for the 3 most recent completed financial years, including the amount spent in each of those years on research and development activities.

4A. Provide information on any significant new product or service introduced for the period starting from the beginning of the period comprising the 3 most recent completed financial years and ending on the latest practicable date and, to the extent the development of the new product or service has been publicly disclosed, the status of such development.

Financial Review

5. For the purposes of Part V or VIII of this Schedule, the financial statements or other financial information to be provided in respect of the relevant corporation are those for the 3 most recent completed financial years rather than for the 2 most recent completed financial years.

6. Provide a statement showing the net sales or revenues and profit (loss) before tax figures of the relevant corporation for the 3 most recent completed financial years.

7. In respect of —

(a) each of the 2 most recent completed financial years; and

(b) the interim period if interim financial statements have been included,

provide information regarding any significant factor, including unusual or infrequent event or new development, which materially affected profit (loss) before tax from operations, indicating the extent to which such profit (loss) was so affected. Describe any other significant component of revenue or expenditure necessary to understand the results of operations for each of the 2 most recent completed financial years and the interim period, if any.

7A. In the case where the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, the reference to the most
recent completed financial year in paragraphs (5), (6) and (7) shall be a reference to the financial year preceding the most recent completed financial year.

**Trend Information and Profit Forecast or Profit Estimate**

7B. Discuss, for at least the current financial year, the business and financial prospects, the most significant recent trends in production, in sales and inventory, and in the costs and selling prices of products and services, and the state of the order book, since the end of the most recent financial period for which financial statements have been provided under Part VIII. If there is no such trend, provide an appropriate statement stating to that effect.

**Dividends**

8. Disclose the rate of the dividends or distributions, if any, paid by the relevant corporation entity in respect of each class of equity capital shares for each of the 3 most recent completed financial years, giving particulars of each such class of shares equity capital and particulars of any case in which no dividends or distributions have been paid in respect of any class of shares equity capital for any of those years. In the case where the date of lodgment of the prospectus is less than 3 months after the end of the most recent completed financial year, the reference to the most recent completed financial year in this paragraph shall be a reference to the financial year preceding the most recent completed financial year.

9. Describe the relevant corporation entity’s policy on dividend or distributions policy and, if it does not have a fixed policy, state so.

**Financial Covenants**

10. State any financial covenant of the relevant corporation entity concerning capital increases.

**Compensation for services**

11. Disclose, in bands of up to $250,000 —

   (a) the amount of compensation paid by the relevant corporation entity or its subsidiary or subsidiary entity, for each of the 2 most recent completed financial years; and
(b) the estimated amount of compensation paid and to be paid by the relevant corporation or its subsidiary or subsidiary entity, for the whole of the current financial year,

to —

(i) each director or equivalent person of the relevant corporation; and

(ii) each of the top 5 (in terms of amount of compensation) key executives (not being directors or equivalent persons of the relevant corporation) of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, of the group, or, if the relevant corporation is the holding company of a pro forma group, of the pro forma group,

for services rendered by such a person in all capacities to the relevant corporation or its related corporation.

12. For the purposes of paragraph 11 of this Part —

(a) compensation includes any benefit in kind; and

(b) compensation that has already been paid includes any deferred compensation accrued for the financial year in question and payable at a later date.

13. For the purposes of paragraph 11–(b) of this Part, any estimated amount of compensation that is to be paid pursuant to any bonus or profit sharing plan or any other profit-linked agreement or arrangement, but which has not yet been paid, may be excluded from the calculation of the estimated amount of compensation in respect of the whole of the current financial year, provided that that fact is stated.

14. If any portion of the compensation was paid or is to be paid pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement, identify the person to whom such compensation was or is to be paid and briefly describe such plan, agreement or arrangement and the basis of such person’s participation in the plan, agreement or arrangement.

15. If any portion of the compensation was paid or is to be paid in the form of stock options, identify the persons to whom such compensation was or is to be paid and provide the description and number of shares, securities or equity
interests covered by the options, the exercise price, the option purchase price (if any), the period during which the options are exercisable and the expiration date of the options.

16. State the total amounts set aside or accrued by the relevant corporation, or its subsidiary or subsidiary entity, to provide pension, retirement or similar benefits, if any.

17. For service contracts referred to in paragraph 4 of Part VI of this Schedule with a fixed term, state the term of each such contract, the unexpired term and the name of the relevant director or equivalent person of the relevant entity.

Substantial Shareholders or Substantial Interest-holders, Directors and Key Executives

18. Provide the name of each substantial shareholder or substantial interest-holder, and each director or equivalent person, and the chief executive officer or equivalent person of the relevant corporation, and state —

(a) in the case where the relevant entity is a corporation, the number and percentage of shares of each class in which each of them has interest, whether direct or deemed under section 4 of the Act; or

(b) in the case where the relevant entity is an entity (not being a corporation), the amount of equity interests in which each of them has interest, as of the latest practicable date and immediately after the offer. Where the deemed interest in the shares of or equity interests in, the relevant corporation is held through another corporation the shares or equity interests of which are listed for quotation or quoted on a securities exchange or overseas securities exchange, that deemed interest or that equity interest may be excluded. Disclose any significant change in the percentage of ownership in the last 3 years prior to the latest practicable date.

19. Indicate the nature of any family relationship —

(a) between any of the persons named in paragraph 1 of Part VI of this Schedule; or
(b) between any of the persons named in paragraph 1 of Part VI of this Schedule and any substantial shareholder or substantial interest-holder of the relevant corporation.

**Conflicts of Interest**

20. Where a director or equivalent person, or controlling shareholder or controlling interest-holder, of the relevant corporation, or any of their associates, has an interest in any other corporation carrying on the same business or dealing in similar products as the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, as the group, or, if the relevant corporation is the holding company of a pro forma group, as the pro forma group, disclose —

(a) the name of that other corporation;

(b) the name of the director or equivalent person, or controlling shareholder or controlling interest-holder of the relevant entity involved;

(c) the nature and extent of his interest in that other corporation and the extent to which he is involved in the management of that other corporation either directly or indirectly; and

(d) whether any conflict of interest thereby arising has been or is to be resolved or mitigated and if so, how it has been or is proposed to be resolved or mitigated.

**Audit, Remuneration and Nomination Committees**

21. In respect of the current financial year, provide details relating to the relevant corporation’s audit committee, remuneration committee and nomination committee, if any, including the names of committee members and a summary of the terms of reference under which each committee operates.

**Employees**

22. Provide either —

(a) the average number of employees of the relevant corporation or, if the relevant corporation is the holding company of a group but not of a pro forma group, of the group, or, if the relevant corporation is
the holding company entity of a pro forma group, of the pro forma group, for each of the 3 most recent completed financial years (and any change in the number of such employees, if material); or

(b) the number of employees of the relevant corporation entity or, if the relevant corporation entity is the holding company entity of a group but not of a pro forma group, of the group, or, if the relevant corporation entity is the holding company entity of a pro forma group, of the pro forma group, as at the end of each of the 3 most recent completed financial years (and any change in the number of such employees, if material),

and, if possible, a breakdown of persons employed by activity and geographic location. Disclose information regarding the relationship between management and labour unions. If the relevant corporation entity or, if the relevant corporation entity is the holding company entity of a group but not of a pro forma group, the group or, if the relevant corporation entity is the holding company entity of a pro forma group, the pro forma group, employs a significant number of temporary employees, disclose the average number of temporary employees in respect of the most recent completed financial year.

23. Describe any arrangement which involves the employees of the relevant corporation entity and, if the relevant corporation entity is a holding company entity, the directors or equivalent persons or employees of a subsidiary, or a subsidiary entity or an associated entity, of the relevant corporation entity, in the capital of the relevant corporation entity, including any arrangement that involves the issue or grant of options, or shares or equity interests or any other securities of the relevant corporation entity.

Share-Capital

24. If there are shares or equity interests in the relevant corporation entity not representing capital, state the number and main characteristics of such shares or equity interests.

25. Where there is, in respect of the relevant corporation entity, authorised but unissued capital or an undertaking to increase the capital state —

(a) the amount of such authorised capital or capital increase and, where appropriate, the duration of the authorisation;
(b) the categories of persons having preferential subscription rights for such additional portions of capital; and

(c) the terms, arrangements and procedures for the share–issue of shares or equity interests corresponding to such portions.

**Constituent Documents of Relevant Corporation Entity**

26. Provide a summary of the material provisions of the relevant corporation entity’s constituent documents and bylaws with respect to —

(a) the rights, preferences and restrictions attaching to each class of shares or equity interests;

(b) any change in capital;

(c) any change in the respective rights of the various classes of shares or equity interests including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law; and

(d) any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement then operates.

27. Provide a summary of the provisions of the relevant corporation entity’s constituent documents and bylaws with respect to —

(a) the power of a director’s power or equivalent person of the relevant entity to vote on a proposal, arrangement or contract in which he is interested;

(b) the power of a director’s power or equivalent person of the relevant entity to vote on remuneration (including pension or other benefits) for himself or for any other director or equivalent person, and whether the quorum at a meeting of the board of directors or equivalent persons to vote on directors’ remuneration of the directors or equivalent persons may include the director or equivalent person whose remuneration is the subject of the vote; and

(c) the retirement or non-retirement of a director or equivalent person of the relevant entity under an age limit requirement.
Information on Corporation Entity of Underlying Securities or Property

28. Where the convertible debentures are issued by an corporation entity other than the corporation entity the securities, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase, the requirements in paragraphs 4 to 27 of this Part shall apply only to the second-mentioned corporation entity. In addition, provide the information required under Parts II, V, VI, VII, VIII and X of this Schedule in respect of the second-mentioned corporation entity. Where applicable, provide the date and source of such information.

PART XII

(11) Explanatory note: The requirements relating to asset-backed securities have been moved to the Twelfth Schedule.

INFORMATION REQUIRED FOR ASSET-BACKED SECURITIES

1. In relation to an offer to the public of asset-backed securities, the prospectus must contain all the information required in this Schedule, subject to the following modifications, exceptions and additions:

   (a) where any information required under Part V, paragraphs 1 and 2 (Interested Person Transactions) of Part VII or VIII or paragraphs 1 to 5 (Capital) of Part X of this Schedule is, in the reasonable opinion of the directors of the relevant corporation, not information that investors and their professional advisers would reasonably require when making an informed assessment of the relevant corporation and the asset-backed securities being offered, such information may be excluded;

   (b) information required under paragraph 7 of Part X of this Schedule may be restricted to only those material contracts that relate to the offer;

   (c) in respect of paragraph 12 of Part X of this Schedule, if the assets held by the SPV pursuant to a securitisation transaction (hereinafter referred to as the relevant assets), were previously held by another corporation and were that corporation’s sole assets, the audited financial statements of that corporation for the 2 most recent completed financial years, or for such number of financial years during which it has been in existence if it has been in
existence for less than 2 completed financial years, and during which it held those assets, must be made available for inspection;

(d) any information required of key executives of the relevant corporation in this Schedule need not be provided; and

(e) the additional information described in paragraphs 2 to 15 of this Part must be included in the prospectus relating to the offer.

The Relevant Assets

2. A description of the relevant assets, giving at least the following (where relevant):

(a) the legal jurisdiction to which the relevant assets are subject, including the competent forum to adjudicate claims and other issues relating to the relevant assets and the governing law of the securitisation transaction;

(b) the type or types of relevant assets;

(c) the geographical locations of the relevant assets, if applicable;

(d) the expiry or maturity dates of the relevant assets, if applicable; in the case of a leasehold property, state the expiry date of the lease and, where there is any option to renew the lease, the terms of such option;

(e) the total value of the relevant assets and the method of determining such value including any assumption used;

(f) where the relevant assets are secured by fixed assets, the ratio of the value or amount of the relevant assets to the value or amount of such security at the time of the transfer or assignment of the relevant assets from the originator to the relevant corporation;

(g) the criteria that must be met for an asset to be included as a relevant asset and the extent to which an asset may be so included even though it does not meet such criteria;

(h) an indication of significant representations and warranties relating to the relevant assets given to the relevant corporation;
(i) the method of origination or creation of the relevant assets;

(ii) any rights to substitute the relevant assets and a description of the assets which may be substituted for the relevant assets;

(k) where the relevant assets include loan or credit agreements, any obligations to grant further loans or advances under those agreements;

(l) where the relevant assets include insurance policies, a description of the principal insurance policies, including the names and, where appropriate, the addresses and brief descriptions of the insurers; if the policies are predominantly issued by one insurer, state this fact;

(m) where—

(i) 10 or less obligors account for the relevant assets; or

(ii) more than 10 obligors account for the relevant assets, but any of them accounts for 10% or more of the total value of the relevant assets, provide—

(A) so far as the relevant corporation is aware or is able to ascertain from information published by the obligor, material financial information in respect of—

(a) in the case referred to in sub-paragraph (i), each obligor; or

(b) in the case referred to in sub-paragraph (ii), each obligor which accounts for 10% or more of the total value of the relevant assets, unless—

(i) the shares or debentures, or units of shares or debentures, of the obligor are already listed for quotation or quoted on a securities exchange or overseas securities exchange; or

(ii) the obligations of the obligor are guaranteed by an entity the shares or debentures, or units of shares or debentures, of which are already listed for quotation or quoted on a securities exchange or overseas securities exchange,
in which case only the name, address, country of incorporation, nature of business and name of the exchange on which its shares or debentures, or units of shares or debentures, as the case may be, are already listed for quotation or quoted shall be disclosed in respect of the obligor and its guarantor corporation (if applicable);

(B) information on any relationship between the relevant corporation, or its guarantor corporation, and any obligor mentioned in sub-paragraph (A) (a) or (b);

(C) information on the principal terms and conditions of the obligations owing to the relevant corporation by an obligor mentioned in sub-paragraph (A) (a) or (b), except where the obligations are debentures or units of debentures which are already listed for quotation or quoted on a securities exchange or overseas securities exchange;

(D) the general characteristics and descriptions of all the obligors, other than those mentioned in sub-paragraph (A) (a) or (b).

3. Where the relevant assets are held in a pool or portfolio and it is impracticable or impossible to give a description of each relevant asset as required by paragraph 2 (a) to (d) of this Part, provide—

(a) a description of the pool or portfolio according to the requirements in paragraph 2 (a) to (d) of this Part; and

(b) where it is practicable to break down the relevant assets according to any of the descriptions in paragraph 2 (a) to (d) of this Part, a description of the relevant assets based on such a breakdown.

**Investment Considerations**

4. An explanation of any matter which, in the reasonable opinion of the directors of the relevant corporation, is likely to be of significance to investors relating to the offer. Any such explanation should be given appropriate prominence depending on the nature of the matter concerned and its significance to investors.

5. Where the relevant corporation proposes to or is likely to issue further debentures or units of debentures, as the case may be, that will create charges over the relevant assets, a prominent statement to that effect; and where those further
debentures or units of debentures will not rank pari passu with or be subordinated to the asset-backed securities being offered, a statement as to whether the prior approval of the holders of the asset-backed securities will be sought.

Structure and Cash Flow

6. A description of the method, and a statement of the date of the sale, transfer or assignment of the assets, or of any rights in the assets, to the relevant corporation.

7. A description of the structure of the securitisation transaction.

8. A description of the cash flow profile of, the ageing of cash flows of, and (if available) historic levels of arrears of or rates of default in, the payments generated by the relevant assets.

9. An explanation of the flow of funds including—

(a) how the cash flow generated by the relevant assets is expected to meet the relevant corporation’s obligations to holders of the asset-backed securities being offered;

(b) any credit enhancement;

(c) an indication of where material potential liquidity shortfalls are expected to occur and the availability of any liquidity supports and indication of provisions to cover interest shortfall risks;

(d) an indication of any investment parameters for the investment of temporary liquidity surpluses;

(e) how payments are collected in respect of the relevant assets;

(f) the order of priority of payments made by the relevant corporation to the holders of the various classes of debentures or units of debentures, issued by the relevant corporation;

(g) any material fee payable by the relevant corporation out of the cash flow received;

(h) details of any arrangement upon which payments of interest and principal to holders of the asset-backed securities being offered are dependent;
(i) whether or not there is any intention to accumulate surpluses in the relevant corporation and if so, for the benefit of whom; and

(j) details of any subordinated debt finance.

Originator, Administrator and Other Relevant Parties

10. The name, address, description and significant business activities of the originator or creator of the relevant assets.

11. The name, address, description and significant business activities of the administrator of the assets or equivalent person, if any, together with a summary of his responsibilities and a summary of the provisions relating to the termination of his appointment and the appointment of an alternative to him.

12. The names and addresses and brief descriptions of—

(a) any swap counterparty and any provider of any other material form of enhancement to the asset-backed securities being offered; and

(b) the bank with which the main accounts relating to the securitisation transaction are held.

Annual Reports and Financial Statements

13. If applicable, a statement that the relevant corporation does not intend to publish annual reports and financial statements and that the trust deed constituting the offer requires the relevant corporation to provide written confirmation to the trustee (or equivalent person), on an annual basis, that no event or default or other matter which is required to be brought to the trustee’s attention has occurred.

Taxation

14. The tax laws to which the relevant corporation is subject.

Dealing and Settlement

15. Details of any dealing and settlement arrangement.
[EIGHTH] SCHEDULE

Regulation 7 (2) (b)

PARTICULARS TO BE INCLUDED IN A PROSPECTUS UNDER SECTION 243 OF THE ACT IN RELATION TO DEBENTURES OR UNITS OF DEBENTURES IN A CASE OTHER THAN ONE REFERRED TO IN REGULATION 7 (2) (4)

(1) Explanatory Note: Amendments proposed to be made to the Seventh Schedule will be replicated in the Eighth Schedule, where appropriate. Accordingly, the proposed amendments to Eighth Schedule have not been enclosed in this consultation paper.
[NINTH SCHEDULE]

[Regulation 78-(43)-(a)]

PARTICULARS TO BE INCLUDED IN A PROSPECTUS UNDER SECTION 243 OF THE ACT IN RELATION TO AN OFFER OF DEBENTURES OR UNITS OF DEBENTURES UNDER A DEBENTURE ISSUANCE PROGRAMME, WHERE AN APPLICATION HAS BEEN OR WILL BE MADE TO A SECURITIES EXCHANGE TO LIST FOR QUOTATION OR QUOTE THE DEBENTURES OR UNITS OF DEBENTURES CONCERNED ON THE SECURITIES EXCHANGE

(1) Explanatory Note: The amendments to this Schedule are proposed mainly for clarity.

1. The base prospectus referred to in regulation 7(3)(a)section 240A(1)(a) of the Act applicable to all offers of debentures or units of debentures, as the case may be, under a debenture issuance programme referred to in that regulation 7(4)(i) must contain all the information in the Seventh Schedule, subject to the following additions and exceptions:

   (a) the base prospectus for the debenture issuance programme must contain the following additional information:

   (i) the maximum nominal amount of debentures or units of debentures, as the case may be, to be offered under the programme;

   (ii) the terms and conditions applicable to all offers under the programme;

   (iii) the duration of the programme;

   (iv) a statement that the documents required by paragraph 12 of Part X of the Seventh Schedule shall be available for inspection throughout the duration of the programme; and

   (v) a statement that the base prospectus as well as any supplementary base prospectus or equivalent document in respect of the programme, issued since the base prospectus was published, shall be
are available for inspection for as long as offers are made under the programme;

(b) if the base prospectus does not contain any information referred to in —

(i) paragraphs 1 to 5 and 7 of Part III of the Seventh Schedule;

(ii) paragraph 1 (a) to (e) of Part IV of the Seventh Schedule;

(iii) paragraphs 2 and 4 of Part IV of the Seventh Schedule, being information relating to an offer to be made under the programme; or

(iv) paragraphs 1 to 6 and 9 of Part IX of the Seventh Schedule,

it must contain a prominent statement that such information shall be published from time to time by way of a pricing statement in relation to each offer under the programme.

2. If the base prospectus does not contain any of the information referred to in paragraph 1–(b) of this Schedule, the pricing statement for each offer under the debenture issuance programme must contain that information as well as the following statements:

(a) “This offer is made on the basis of information contained in this statement as well as in the base prospectus and supplementary base prospectus or prospectuses, if any, in respect of the programme.”;

(b) “Copies of the base prospectus and supplementary base prospectus or prospectuses, if any, and this statement are available for collection at the times and places specified in this statement.”; and

(c) “A copy of this statement has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”) together with the base prospectus. The Authority assumes no responsibility for the contents of this statement. Registration of this statement together with the base prospectus with the Authority does not imply that the Securities and Futures Act (Cap. 289), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the debentures or units of debentures, as the case may be, being offered as an investment.”.
3. The contents of the pricing statement for each offer under the debenture issuance programme, when read together with the base prospectus and any supplementary base prospectus, must contain the material terms and conditions of the offer to which it relates.

4. The pricing statement for each offer under the debenture issuance programme must not contain any information other than —

   (a) information specified in paragraph 2 of this Schedule;

   (b) information already contained in the base prospectus or any supplementary prospectus;

   (c) an elaboration of information on the use of proceeds contained in the base prospectus or any supplementary prospectus; and

   (d) other information specific and relevant only to that particular offer, which is permitted by the Authority.
[TENTH SCHEDULE]

Regulation 78 (43) (b)

PARTICULARS TO BE INCLUDED IN A PROSPECTUS UNDER SECTION 243 OF THE ACT IN RELATION TO AN OFFER UNDER A DEBENTURE ISSUANCE PROGRAMME, IN A CASE OTHER THAN ONE REFERRED TO IN REGULATION 78 (43) (4a)

(1) Explanatory Note: Amendments proposed to be made to the Ninth Schedule will be replicated in the Tenth Schedule, where appropriate. Accordingly, the proposed amendments to Tenth Schedule have not been enclosed in this consultation paper.
[ELEVENTH SCHEDULE]

Regulations 10 (1) and 23 (1)

PARTICULARS TO BE INCLUDED IN AN OFFER INFORMATION STATEMENT UNDER SECTION 256 OR 277 OF THE ACT

(1) **Explanatory Note:** Following the amendments made to section 277 in the SF(A) Bill, an entity whose shares are listed for quotation on a securities exchange will be allowed to use an offer information statement for any offer of its securities (whether or not they are similar to those already issued and listed). As a consequence, amendments have been proposed in this Schedule to incorporate specific disclosure requirements in relation to offers of other securities such as debentures and convertible debentures.

At the same time, MAS proposes to rationalise and modify existing requirements in the Eleventh Schedule to align with corresponding provisions in the Fifth Schedule. Requirements have also been re-arranged under appropriate headings for clarity. To ensure that all information relevant for investors to make an informed decision has been adequately disclosed in the offer information statement, MAS further proposes that additional disclosure requirements relating to the offer and the issuer be included in this Schedule.

MAS seeks your comments on the proposed requirements contained in this Schedule, and in particular, the matters set out in grey boxes below

**PART I**

**GENERALFRONT COVER**

1. On the front cover of the offer information statement, provide —

   (a) the date of lodgment of the offer information statement;

   (b) the following statements:

      (i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.”; and
(ii) “A copy of this offer information statement has been lodged with the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the offer information statement. Lodgment of the offer information statement with the Authority does not imply that the Securities and Futures Act (Cap. 289), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the shares or debentures, or units of shares or debentures, as the case may be, securities being offered, or in respect of which an invitation is made, for investment.”; and

(c) the name of the entity in respect of which the securities are being offered (hereinafter the relevant entity), its place of incorporation or constitution issuer, the place where the issuer was incorporated and the date of incorporation or constitution;

(d) a statement to the effect that an application has been or will be made to a securities exchange to list for quotation or quote the securities being offered on that securities exchange, and the name of such securities exchange; and

(e) a statement that no securities shall be allotted or allocated on the basis of the offer information statement later than 6 months after the date of lodgment of the offer information statement.

(2) Explanatory Note: The amendments to paragraph 1 are proposed mainly for clarity and for alignment with corresponding provisions in the Fifth Schedule.

PART II

IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of the directors or equivalent persons of the relevant entity.

Advisers

2. Provide the names and addresses of —
(a) the manager of the offer, if any;

(b) the underwriter of the offer, if any; and

(c) the legal adviser for or in relation to the offer, if any.

Registrars and Agents

3. Provide the names and addresses of the relevant entity’s registrars, transfer agents and receiving bankers for the securities being offered, where applicable.

(3) Explanatory Note: The proposed requirements in new Part II are based on existing requirements in paragraph 2 of Part I and modified to align with corresponding provisions in the Fifth Schedule.

PART III

THE OFFER AND LISTING

Offer Statistics

1. Provide a description of and state the number of the securities being offered.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 5 of this Part to the extent applicable to the offer procedure and where there is more than one group of targeted potential investors and the offer procedure is different for each group, for each group of targeted potential investors.

3. The time at, date on, and period during which the offer will be open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. Describe whether the offer period may be extended or shortened and if so, how it may be extended or shortened, and the duration of possible extensions or possible early closure of this period. Describe the manner in which any extension or early closure of the offer period shall be made public.

4. The method and time limit for paying up for the securities being offered and where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.
5. The methods of and time limits for —

(a) the delivery of the documents evidencing title to the securities (including temporary documents of title, if applicable) being offered to subscribers or purchasers; and

(b) the book-entry transfers of the securities being offered in favour of subscribers or purchasers,

as may be applicable.

(4) Explanatory Note: MAS proposes to require information on the method and timetable of the offer to be included in the offer information statement as such information will be relevant for investors.

Offer and Listing Details

6. Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, the method by which it is to be determined must be explained.

7. If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

(5) Explanatory Note: Given that an issuer will be allowed to use an offer information statement for the issuance of any securities (including securities which are not the same as those already issued and listed), there may not be an established market for the securities being offered. MAS therefore proposes to include a requirement for disclosure of information relating to the determination of the offer price of the securities being offered.

8. If securities of the same class as those securities being offered are listed for quotation on the securities exchange —
(a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for 12 months or more immediately preceding the latest practicable date prior to the date of lodging of the offer information statement, disclose the highest and lowest market prices of the first-mentioned securities—

(i) for each of the last 12 calendar months immediately preceding the calendar month which the latest practicable date falls within; and
(ii) for the period from the beginning of the calendar month which the latest practicable date falls within to the latest practicable date; or

(b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date prior to the date of lodging of the offer information statement, disclose the highest and lowest market prices of the first-mentioned securities—

(i) for each calendar month immediately preceding the calendar month which the latest practicable date falls within, from the calendar month in which such securities were first listed on that securities exchange; and
(ii) for the period from the beginning of the calendar month which the latest practicable date falls within to the latest practicable date;

(c) disclose any significant trading suspension that has occurred on the securities exchange during the last 3 years or, if the securities are listed for quotation for less than 3 years, during the period since the date on which the securities are so listed, to the latest practicable date; and

(d) disclose information on any lack of liquidity if the securities are not regularly traded on the securities exchange.

(6) Explanatory Note: Where the securities being offered are similar to those already listed, MAS proposes to require the issuer to provide information on the price performance and liquidity of the securities listed.

9. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide —
(a) a statement of the rights, preferences and restrictions attached to the securities being offered; and

(b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or pari passu therewith.

(7) Explanatory Note: The requirements in new paragraph 9 are based on existing requirements in paragraph 2(b) of Part II and modified to align with the corresponding provision in the Fifth Schedule.

Plan of Distribution

10. Describe the manner in which the securities being offered are to be distributed, giving particulars of any outstanding or proposed underwriting of the offer, including the name and address of each underwriter.

11. Where applicable, provide the particulars of any provision for termination of any outstanding or proposed underwriting agreement of the offer.

(8) Explanatory Note: The requirements in new paragraphs 10 and 11 are based on existing requirements in paragraph 2(j) of Part I and paragraph 2(d) of Part II.

PART IV

KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. Disclose the estimated amount of the proceeds from the offer (net of the expenses incurred for the offer) broken down into each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.
2. For each dollar of the proceeds from the offer (net of the expenses incurred for the offer), state the amount that will be allocated to each principal intended use.

3. If the proceeds are proposed to be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.

4. If the proceeds may or will be used to finance or refinance the acquisition of another business, briefly describe such business and give information on the status of the acquisition.

5. If any material part of the proceeds is to be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

6. Disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents and the person making the offer. If it is not possible to state the discount or commission, the method by which it is to be determined must be explained.

(9) **Explanatory Note:** As information on usage of proceeds is important for investors to make an informed decision on the securities being offered, MAS proposes to require the same extent of disclosure on proposed usage of proceeds as that required under the Fifth Schedule.

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**Information on the relevant entity**

72. In the offer information statement, provide the following information:

(a) the address of the registered or principal office of the issuer,

(b) the business carried on and to be carried on by the issuer, or, if it is the holding company of a group, the group, and the general development of the business within the last 3 financial years,
indicating any material change in the affairs of the issuer-relevant entity or the group, as the case may be, since the end of the most recent completed financial year for which financial statements of the relevant entity have been published last annual report;

(10) Explanatory Note: The amendments to sub-paragraphs (a) and (b) are proposed mainly for clarity.

(e) a description of and the number of the shares or debentures, or units of shares or debentures, as the case may be, being offered by the issuer;

(d) where applicable, the names and addresses of the manager, the underwriter of the offer and, in the case of an offer of debentures or units of debentures, the trustee for debenture holders (if any);

(e) the offer price, any discount or commission given to the underwriter, and the estimated net proceeds on an aggregate basis to be derived by the issuer from the issue or sale of the shares or debentures, or units of shares or debentures, as the case may be, being offered; if it is not possible to state the offer price or the discount or commission, the method by which it is to be determined must be explained;

(f) the range of the closing market price of the shares or debentures, or units of shares or debentures, as the case may be, during the previous 90 days;

(g) the principal purposes for which the estimated net proceeds to be derived by the issuer from the issue or sale of the shares or debentures, or units of shares or debentures, as the case may be, being offered are intended to be used and the approximate amount intended to be used for each such purpose; if any material amounts of other funds are to be used in conjunction with the proceeds for such purposes, the amounts and sources of such other funds;

(h) the names and addresses of the directors of the issuer;

(i.e) the share and loan capital of the relevant entity issuer, as of the date of lodgment of this offer information statement showing —

(i) in the case of the share capital, the authorised share capital and the issued and the paid-up capital; or
(ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;

(j) the manner in which the shares, debentures, or units of shares or debentures, as the case may be, being offered are to be distributed, giving particulars of any outstanding or proposed underwriting, including the name and address of each underwriter;

(k) the profits, prospects and dividends of the issuer, together with—

(i) the following information in respect of the issuer or, if it is the holding company of a group, the group, for each of the 3 most recent completed financial years in the following format:

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Profit before tax</th>
<th>Profit after tax</th>
<th>Extraordinary items</th>
<th>Gross rate of dividend</th>
</tr>
</thead>
</table>

(ii) a statement as to the financial and business prospects of the issuer or, if it is the holding company of a group, the group, together with any material information which will be relevant thereto, including all special business factors or risks (if any) which are unlikely to be known or anticipated by the general public and which could materially affect profits; and

(iii) a statement by the directors of the issuer whether, in their reasonable opinion, the working capital available to the issuer or, if the issuer is the holding company of a group, the group, is sufficient for present requirements and, if insufficient, how the additional working capital thought by the directors to be necessary, is proposed to be provided;

 kl) where—

(i) the relevant entity is a corporation, the number of shares of the issuer-relevant entity owned by each substantial shareholder; or

(ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder;
(me) information on any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have had in the last 12 months before immediately preceding the date of lodgment of the offer information statement, a material effect on the relevant entity issuer’s financial position or profitability;

(nf) the prices at which shares in, debentures of, or units of shares in or debentures securities of, the relevant entity issuer have been issued for cash, or traded, within the 12 months immediately preceding the date of lodgment of the offer information statement; for shares which have been traded, give the price range and volume traded for each of those months; for shares or debentures which have been issued during those months, and state the number of shares or debentures securities issued at each price; if any shares or debentures, or units of shares or debentures securities, have been issued for services, state the nature and value of the services and give the name and address of the person who received the shares or debentures, or units of shares or debentures securities; and

(og) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity issuer, or its a subsidiary or its subsidiary entity of the issuer is a party, for the period of 2 years before the date of lodgment of the offer information statement, including the date of, parties to and general nature of the contract, and the amount of any consideration passing to or from the relevant entity, or its issuer or the subsidiary or its subsidiary entity;

(ph) particulars of any other material facts relating to the shares or debentures, or units of shares or debentures, as the case may be, being offered and not disclosed pursuant to the above sub-paragraphs any of the paragraphs of;

(q) the last audited consolidated balance sheet of the issuer;

(r) a table or statement indicating—

(i) the consolidated net tangible asset per share of the issuer as of the date on which the last audited balance sheet was made up; and

(ii) the effect of the issue on the net tangible asset per share; and
(s) where a statement or report attributed to a person as an expert is included, the name, address and qualification of that expert and a statement that the expert has given and has not withdrawn his written consent to the issue of the offer information statement with the inclusion of the statement or report in the form and context in which it is included in the offer information statement.

(11) Explanatory Note: The amendments to sub-paragraphs (a) to (s) are proposed mainly for clarity and as a consequence to the proposed re-organisation of requirements in this Schedule under appropriate headings.

PART V

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected profit and loss data of the relevant entity or, if it is the holding entity of a group, the group, for each of the 3 most recent completed financial years for which financial statements have been published and any subsequent interim period if interim financial statements have been published. Such data must include items generally corresponding to the following:

(a) net sales or revenues;
(b) operating profit (loss) before exceptional items;
(c) exceptional items;
(d) profit (loss) before tax;
(e) extraordinary items;
(f) profit (loss) before tax after extraordinary items;
(g) net profit (loss);
(h) operating profit (loss) before exceptional items per share;
(i) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
(j) earnings (loss) per share; and
(k) diluted earnings (loss) per share as adjusted for the effects of the issue of the securities being offered.

Per share amounts to be included must be determined in accordance with the body of accounting principles used in preparing the financial statements.
2. In respect of each of the 3 most recent completed financial years and any subsequent interim period, provide information regarding any significant factor, including unusual or infrequent event or new development, which materially affected profit (loss) before tax from operations, and indicate the extent to which such profit (loss) was so affected. Describe any other significant component of revenue or expenditure necessary to understand the results of operations for the period under review.

Financial Position

3. Provide selected audited balance sheet data of the relevant entity or, if it is the holding entity of a group, the group, as at the most recent financial year-end for which financial statements have been published or as at the end of any subsequent interim period if interim financial statements have been published. Such data must include items generally corresponding to the following:

- (a) total assets (liabilities);
- (b) net tangible assets (liabilities);
- (c) net assets (liabilities);
- (d) shareholders’ equity;
- (e) number of shares as adjusted to reflect the issue of the securities being offered;
- (f) net tangible asset (liabilities) per share; and
- (g) net tangible asset (liabilities) per share as adjusted for the effects of the issue of the securities being offered.

Liquidity and Capital Resources

4. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of the most recent completed financial year for which financial statements have been published as well as any subsequent interim period if interim financial statements have been published.

5. Provide a statement by the directors or equivalent persons of the relevant entity whether, in their reasonable opinion, the working capital available to the relevant entity or, if the relevant entity is the holding entity of a group, the group, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.
(12) Explanatory Note: MAS proposes to require selected information on past financial performance and financial position to be included as such information will be important for investors to make an investment decision on the securities being offered.

**Profit Forecast or Profit Estimate**

6. Provide a statement as to the financial and business prospects of the relevant entity or, if it is the holding entity of a group, the group, together with any material information which will be relevant thereto, including all special business factors or risks (if any) which are unlikely to be known or anticipated by the general public and which could materially affect profits.

7. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.

8. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

9. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 8 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.

10. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 9 of this Part —

   (a) a statement by the issue manager of the offer or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or

   (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in
paragraph 8 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

11. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 9 of this Part —

(a) a statement by the issue manager of the offer or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 8 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

(b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 8 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

**Significant Changes**

12. Disclose any event that has occurred since the end of the period covered by the most recent financial statements for which financial statements have been published (whether such financial statements are audited or unaudited, annual or interim) and up till the latest practicable date, which may have a material effect on the financial position and results of the relevant entity or, if it is the holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

**Explanatory Note:** The proposed requirements in new paragraphs 6 to 11 clarify that any profit forecast or profit estimate disclosed in the offer information statement will be subject to similar requirements as those set out in the Fifth Schedule.
PART VI
CONSENTS

Statements by Experts

1. Where a statement or report attributed to a person as an expert is included, provide such person’s name, address and qualifications.

2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert —

   (a) state the date on which the statement was made;

   (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and

   (c) include a statement that the expert has given and has not withdrawn his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.

3. The information referred to in paragraphs (1) and (2) of this Part need not be provided if the statement attributed to an expert is a statement to which the exemption under regulation 22A is applicable.

Consents from issue manager and underwriter

4. Where a person is named in the offer information statement as the issue manager or underwriter (not a sub-underwriter) to the offer, include a statement that the issue manager or underwriter, as the case may be, has given and has not withdrawn his written consent to being named in the offer information statement as issue manager or underwriter to the offer, as the case may be.

(13) Explanatory Note: MAS proposes to include the requirements set out in new paragraphs 1 to 4 for alignment with the Fifth Schedule.
PART VII

OTHER MATTERS

Include particulars of any other material facts relating to the securities being offered that are not disclosed pursuant to any of the paragraphs of this Schedule.

PART VIII

ADDITIONAL PARTICULARS TO BE INCLUDED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES

(14) Explanatory Note: Given that an entity whose shares are listed for quotation on a securities exchange will be allowed to use an offer information statement for any offer of its securities (whether or not they are similar to those already issued and listed), specific disclosure requirements relating to offers of other securities such as debentures and convertible debentures have been incorporated.

MAS seeks your comments on the proposed additional requirements in relation to offers of debentures or units of debentures (in Part VIII) and in relation to offers of convertible debentures (in Part IX).

Guarantor Entity

1. In the case of a guaranteed debenture issue, provide -

   (a) the name and address of the guarantor entity; and

   (b) the names and addresses of the directors or equivalent persons of the guarantor entity.

Offer Statistics

2. State -

   (a) the amount of subscriptions that are being sought and, where applicable, the fact that the subscriptions may be reduced; and
(b) the nature and denomination of the debentures or units of debentures being offered, and the face value of the debentures or units of debentures being offered where this amount differs from the amount of subscriptions that are being sought.

**Principal Terms and Conditions**

3. Provide the following information on the debentures or units of debentures, as the case may be, being offered:

(a) the yield and a summary of the method whereby that yield is calculated; the issue and redemption prices as well as the nominal interest rate and, if floating, how the rate is calculated; if several or variable interest rates are provided for, indicate the conditions for changes in the rate;

(b) the date from which interest accrues and the interest payment dates;

(c) the procedures for, and validity period of, claims to payment of interest and repayment of principal sum;

(d) the final repayment date and any early repayment dates, specifying whether exercisable at the option of the relevant entity or the holder of the debentures or units of debentures;

(e) details of the arrangements for the amortisation or early redemption of the debentures or units of debentures being offered, including procedures to be adopted;

(f) a description of any subordination or seniority of the issue to other debts of the relevant entity already incurred or to be incurred;

(g) the rights conferred upon the holders of the debentures or units of debentures, including rights in respect of interest and redemption;

(h) particulars of any security;

(i) financial covenants, including those concerning issues of other forms or series of debentures or units of debentures;

(j) where applicable, a statement as to whether or not the relevant entity has any right to create additional charges over any of the assets subject to a charge to
secure the repayment of the debentures or units of debentures, as the case may be, which will rank in priority to or *pari passu* with the second-mentioned charge and, if there is such a right, particulars of its nature and extent:

(k) the nature and scope of any guarantee, surety or commitment intended to ensure that the issue will be duly serviced with regard to both the principal sum of and the interest on the debentures or units of debentures, as the case may be;

(l) in relation to an offer of mortgage bonds, mortgage debentures or certificates of mortgage debenture stock, where the repayment of all moneys that have been or may be deposited with or lent to the relevant entity in response to the offer is secured by a first charge over property vested in the relevant entity, in one or more of its guarantor entities or in the relevant entity and one or more of its guarantor entities —

(i) the aggregate amount, in percentage terms, of the moneys deposited with or lent to the relevant entity in response to the offer and of all other liabilities, if any, which are secured by the charge over that property, against the value of the interest of the relevant entity one or more of its guarantor entities or the relevant entity and one or more of its guarantor entities, in that property as shown in the valuation report specified in sub-paragraph (ii); and

(ii) a report of the valuation of the interest of the relevant entity, one or more of its guarantor entities, or the relevant entity and one or more of its guarantor entities, in the property so charged, showing the nature and extent of the interest of the relevant entity, one or more of its guarantor entities, or the relevant entity and one or more of its guarantor entities, being a report made not more than 6 months before the date of lodgment of the offer information statement by an independent qualified valuer;

(m) any legislation under which the debentures or units of debentures, as the case may be, have been created, and the governing law and the competent courts in the event of litigation;

(n) definition of events constituting defaults and effect upon acceleration of maturity of the debentures or units of debentures, as the case may be; and
(o) provisions for modifications of terms and conditions of the debentures or units of debentures, as the case may be.

**Credit Rating**

4. If the relevant entity, its guarantor entity, or the debentures or units of debentures being offered, have been given a credit rating by a credit rating agency, disclose the name of the credit rating agency, the credit rating (including whether it is a short-term or long-term credit rating), whether or not the relevant entity, its guarantor entity or any of their related parties, had paid any fee or benefit of any kind to the credit rating agency in consideration for the credit rating, and the date on which the credit rating was given.

**Representative for Debenture Holders**

5. Provide the name and address of the trustee, fiscal agent or any other representative for the debenture holders, and the main terms of the document governing such trusteeship or representation, including provisions concerning functions, rights and obligations of the trustee, fiscal agent or representative.

**PART IX**

**ADDITIONAL PARTICULARS TO BE INCLUDED FOR OFFER OF CONVERTIBLE DEBENTURES**

**Information on Convertible Debentures**

1. Provide information concerning the nature of the securities, equity interests or property offered by way of conversion, exchange, subscription or purchase and the rights attached thereto including, in particular, the voting rights, entitlement to share in profits and, in the event of liquidation, any surplus and any other special rights.

2. Provide information on the terms, conditions and procedures for conversion, exchange, subscription or purchase and details of the circumstances under which they may be amended, including the following information:

   (a) the total number or value of securities, equity interests or property which is the subject of the conversion, exchange, subscription or purchase;

   (b) the period during which the conversion, exchange, subscription or purchase right may be exercised and the date on which this right commences;
(c) the amount payable on the exercise of the conversion, exchange, subscription or purchase right;

(d) any arrangement for the transfer or transmission of the conversion, exchange, subscription or purchase right;

(e) the rights of the holders of the debentures or units of debentures in respect of the conversion, exchange, subscription or purchase right on the liquidation of the entity the securities, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase;

(f) any arrangement for the variation in the subscription price of the securities, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, or in the exercise price of the convertible debentures, or in the number or value of securities, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, in the event of any alteration in the capital of the entity the securities, equity interests or property of which is the subject of the conversion, exchange, subscription or purchase; and

(g) if there is no established market for the securities, equity interests or property which is the subject of the conversion, exchange, subscription or purchase, the manner of determining the subscription or exercise or conversion price, including who established the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

PART IX

ADDITIONAL PARTICULARS TO BE INCLUDED IN AN OFFER INFORMATION STATEMENT UNDER SECTION 256 OF THE ACT FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE

(15) Explanatory Note: Following the proposed re-organisation of the requirements in this Schedule under appropriate headings, certain of the existing requirements set out in Part II have been deleted. The rest of the requirements relating to rights offerings have been classified under proposed new Part X.
MAS seeks your comments on the proposed requirements relating to rights offerings in new Part X below.

1. On the front cover of the offer information statement, provide —

(a) a statement to the effect that an application has been or will be made to a securities exchange to list for quotation or quote the shares or debentures, or units of shares or debentures, as the case may be, on that securities exchange, and the name of such securities exchange;

(b) the particulars of the rights issue;

(c) a statement that no shares or debentures, or units of shares or debentures, as the case may be, shall be allotted or allocated on the basis of the offer information statement later than 6 months after the date of lodgment of the offer information statement;

(d) the last day and time for splitting of the provisional allotment of the shares or debentures, or units of shares or debentures, as the case may be, securities to be issued pursuant to the rights issue;

(e) the last day and time for acceptance of and payment for the shares or debentures, or units of shares or debentures, as the case may be, securities to be issued pursuant to the rights issue; and

(f) the last day and time for renunciation of and payment by the renouncee for the shares or debentures, or units of shares or debentures, as the case may be, securities to be issued pursuant to the rights issue.

2. In the offer information statement, provide the following information:

(a) the terms and conditions of the offer of securities to be issued pursuant to the rights issue;

(b) where the shares or debentures, or units of shares or debentures, as the case may be, to be issued are not identical to the shares or debentures or units of shares or debentures already issued —

(i) a statement of the rights as regards dividends, interest payments, capital redemption and voting, where applicable, attached to the first—
mentioned shares or debentures, or units of shares or debentures, and
as to the right of the company to create or issue further shares or
debentures, or units of shares or debentures, to rank in priority to or
pari passu therewith; and

(ii) a summary of the consent necessary for the creation of such rights;

(ef) the particulars of any undertaking from the substantial shareholders or
substantial interest-holders of the relevant entity, as the case may be,
company to subscribe for their entitlements;

(d) the particulars of any provision for termination of the underwriting
agreement; and

(eg) if the rights issue will not be underwritten, the reason for not
underwriting the issue.
[TWELFTH SCHEDULE]

Regulation 8(2)(i)

PARTICULARS TO BE INCLUDED IN A PROSPECTUS UNDER SECTION 243 OF THE ACT IN RELATION TO AN OFFER OF DEBENTURES OR UNITS OF DEBENTURES OF AN ENTITY, OTHER THAN ONE IN RELATION TO A DEBENTURE ISSUANCE PROGRAMME, WHERE THE DEBENTURES OR UNITS OF DEBENTURES ARE ASSET-BACKED SECURITIES

(1) Explanatory Note: In view of the fundamental differences between asset-backed securities and conventional debentures, MAS has set out the prospectus requirements for offers of asset-backed securities in a new Twelfth Schedule.

MAS seeks your comments on the requirements contained in this Schedule, and in particular, the matters set out in grey boxes below.

PART I

FRONT COVER

On the front cover of the prospectus, provide —

(a) the date of registration of the prospectus or, in the case of a supplementary prospectus or replacement prospectus, the date of lodgment of the supplementary prospectus or replacement prospectus;

(b) the following statements:

(i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.”; and

(ii) “A copy of this prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the prospectus.
Registration of the prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the asset-backed securities being offered for investment.”;

(c) the name of the issuer in respect of which the debentures or units of debentures which are asset-backed securities (hereinafter the asset-backed securities) are being offered (hereinafter the relevant entity) and the legislation under which the asset-backed securities have been created and the governing law and competent courts in the event of litigation;

(d) the name of the sponsor, the depositor and the servicer, where applicable;

(e) a statement, if applicable, that the asset-backed securities represent the obligations of the relevant entity only and do not represent the obligations of or interests in the sponsor, depositor or any of their associates;

(f) a statement, if applicable, to the effect that an application has been or will be made to a securities exchange to list for quotation or quote the asset-backed securities on that securities exchange, and the name of such securities exchange;

(g) the maturity date of the asset-backed securities being offered; and

(h) a statement that no asset-backed securities shall be allotted or allocated on the basis of the prospectus later than 6 months after the date of registration of the prospectus.

PART II

IDENTITY OF KEY PARTICIPANTS, DIRECTORS, SIGNIFICANT ENHANCEMENT PROVIDERS, ADVISERS AND AGENTS

Key Participants

1. Provide the name and address of the sponsor, the depositor and the servicer, where applicable.
Directors

2. Provide the names, addresses and occupations of the directors or equivalent persons of the sponsor and of the relevant entity.

Secretary of the Entity

3. Provide the name and professional qualifications of the secretary of the relevant entity, if any.

Advisers

4. Provide the names and addresses of —

   (a) the relevant entity’s principal banker or bankers;

   (b) the underwriter to the offer, if any; and

   (c) the legal adviser for or in relation to the offer.

(2) MAS seeks your comment on whether the list of advisers in paragraph 4 is appropriate and complete.

Significant Enhancement Providers

5. Where an entity or a group of entities providing enhancement for the asset-backed securities being offered is liable or contingently liable to provide payments representing 10% or more of the cash flow supporting any class of asset-backed securities being offered, provide the names and addresses of the entity or entities.

Auditors

6. Provide the names, addresses and professional qualifications (including membership in a professional body, if any) of the relevant entity’s auditors.

Registrars and Agents

7. Provide the names and addresses of the relevant entity’s paying agents, registrars, transfer agents and receiving bankers for the asset-backed securities being offered, where applicable.
8. Provide the names and addresses of the relevant entity’s trustee, fiscal agent or representative for the asset-backed securities being offered, where applicable.

(3) MAS seeks your comment on whether the list of agents in paragraphs 7 and 8 is appropriate and complete.

PART III

PROSPECTUS SUMMARY AND RISK FACTORS

Prospectus Summary

(4) Explanatory Note: There is currently no requirement for a prospectus summary in the Schedules setting out the prospectus disclosure checklists. However, in view of the technical nature of information that is relevant to asset-backed securities (as compared to information that is relevant in the context of a business enterprise), MAS is of the view that a prospectus summary will be useful to investors.

MAS seeks your comments on the proposal to require a prospectus summary. MAS also seeks your views on the proposed items in paragraph 1 and suggestions on additional items that should be considered for inclusion in a prospectus summary.

1. Provide the following information in the prospectus summary, as applicable —

   (a) state the classes of asset-backed securities being offered and the basic terms of each class being offered, including —

      (i) the interest rate; and

      (ii) the final scheduled maturity or principal distribution dates, if applicable.

   (b) identify the distribution frequency of the asset-backed securities being offered;
(5) MAS has assumed in separating the requirement in sub-paragraph 1(b) from those in sub-paragraph 1(a) that the distribution frequency of the asset-backed securities will not differ across classes. MAS seeks your comments as to whether this is indeed the case.

(c) summarise how the cash flows generated by the asset pool will be allocated among all the classes of asset-backed securities and fees and expenses (hereinafter the flow of funds), to the extent necessary to understand the payment characteristics of the classes being offered;

(d) identify any events or performance triggers that would alter the basic terms of each class of asset-backed securities or the asset pool composition (hereinafter the asset-backed securities structure) or the flow of funds;

(6) MAS is proposing to require disclosure of any event or performance triggers that would alter the asset-backed securities structure or the flow of funds in sub-paragraph (d). MAS seeks your comments as to whether there are other aspects of asset-backed securities which could be altered as a result of an event or performance trigger that should also be disclosed.

(e) identify any optional or mandatory redemption or termination features;

(f) identify any enhancement for the asset-backed securities being offered and briefly describe what protection or support is provided by the enhancement;

(g) summarise how losses not covered by any enhancement will be allocated to the asset-backed securities being offered;

(h) describe the roles of the sponsor and, where applicable, the depositor in relation to the securitisation transaction and the servicer in relation to the servicing of the asset pool;

(i) identify the relevant assets and the size and material characteristics of the asset pool;
(j) if the relevant assets can be added, removed or substituted, summarise the circumstances under which such actions can occur;

(k) summarise the amount or formula for calculating the fee that the servicer will receive for performing its duties, and how this fee will be borne; and

(l) if the issuance or sale of any class of asset-backed securities being offered is conditioned on the assignment of a rating by one or more rating agencies, state the rating agency and the minimum rating that must be assigned.

**Risk Factors**

2. Disclose, in a specific section with the heading “Risk Factors”, the risk factors that are specific to the relevant entity and the asset-backed securities being offered, which had materially affected, or could materially affect, directly or indirectly, the value of the relevant assets or the investments held by holders of the asset-backed securities.

**PART IV**

**OFFER STATISTICS AND TIMETABLE**

**Offer Statistics**

1. For each method of offer, state —

   (a) the amount of subscriptions that are being sought and, where applicable, the fact that the subscriptions may be reduced;

   (b) the nature, denomination and, where applicable, number of asset-backed securities being offered;

   (c) where the asset-backed securities will be offered at a discount or a premium, the face value of the asset-backed securities being offered; and

   (d) the currency of the issue and, if the issue is payable in any currency other than the currency of issue, disclose this fact.
Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to the offer procedure and where there is more than one group of targeted potential investors and the offer procedure is different for each group, for each group of targeted potential investors.

3. The time at, date on, and period during which the offer will be open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. Describe whether the offer period may be extended or shortened and if so, how it may be extended or shortened, and the duration of possible extensions or possible early closure of this period. Describe the manner in which any extension or early closure of the offer period shall be made public. If the exact date or period is not known when the prospectus is first lodged with the Authority, describe the arrangements for announcing the definitive date or period.

4. The method and time limit for paying up for the asset-backed securities being offered.

5. The methods of and time limits for —

   (a) the delivery of the documents evidencing title to the asset-backed securities (including temporary documents of title, if applicable) being offered to subscribers or purchasers; and

   (b) the book-entry transfers of the asset-backed securities being offered in favour of subscribers or purchasers,

as may be applicable.

6. In the case of pre-emptive purchase rights, the procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

7. A full description of the manner in which results of the allotment or allocation of the asset-backed securities being offered are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).
Expenses

8. State the amount or estimated amounts of the expenses incurred for the offer and the persons to whom these amounts have been paid or are payable.

PART V

KEY INFORMATION

Relevant Entity

1. Provide the following information on the relevant entity —

(a) the date of incorporation or constitution, and where the constituent documents of the relevant entity provide a limit as to the duration for which the relevant entity is to exist, such duration;

(b) the country of incorporation or constitution, the legal form of the relevant entity, the legislation under which it operates and the address and telephone and facsimile numbers of its registered or principal office;

(c) a summary of the permissible activities or any restrictions on activities under its constituent documents, including any restrictions on the ability to issue or invest in additional securities, to borrow money or to make loans to other persons, and any provisions which provide for modification of its constituent documents;

(d) any specific discretionary activities with regard to the administration of the asset pool or the asset-backed securities, and identify the person or persons who will be authorised to exercise such discretion;

(e) any assets owned or to be owned by the relevant entity, apart from the asset pool, as well as any liabilities of the relevant entity, apart from the asset-backed securities;

(f) the terms of any management or administration agreement regarding the relevant entity; and

(g) its capitalisation and the amount and nature of any equity contribution.
(7) **Explanatory Note:** As the relevant entity is designed to be a solely passive entity, information relating to the business, operations or financials of the relevant entity would not provide useful information to investors. Instead, MAS proposes that information pertaining to the legal and structural nature of the relevant entity, such as the requirements in sub-paragraphs (c) to (g), should be disclosed instead.

MAS seeks your comments on this approach and on the proposed requirements set out in sub-paragraphs (c) to (g).

**Trustee, Fiscal Agent or Representative**

2. Provide the main terms of the document governing the trusteeship or representation of the trustee, fiscal agent or representative for the holders of asset-backed securities, including provisions concerning functions, rights and obligations of the trustee, fiscal agent or representative.

**Principal Terms and Conditions**

3. Provide information on the asset-backed securities being offered, including —

   (a) the classes of asset-backed securities being offered;

   (b) the interest rate on each class of asset-backed securities being offered, how such amounts are payable, how the rate is determined and how frequently it will be determined;

   (c) the date from which interest accrues and the interest payment dates, where applicable;

   (d) how the principal will be paid on the asset-backed securities being offered, including maturity dates, amortisation or principal distribution schedules, principal distribution dates, formulas for calculating principal distributions from the cash flows and other factors that will affect the timing or amount of principal payments for each class of asset-backed securities being offered;

   (e) the final repayment date and any early repayment dates, specifying whether exercisable at the option of the relevant entity or the holder of the asset-backed securities;
(f) if any class of the asset-backed securities being offered includes an optional or mandatory redemption or termination feature, provide –

(i) the terms for triggering the redemption or termination process;

(ii) the source of funds and amount of the redemption or repurchase price or formula for determining such amount; and

(iii) the procedures for redemption or termination, including any notices to the holders of asset-backed securities;

(g) the procedures for, and validity period of, claims to payment of interest and repayment of the principal sum;

(h) a description of how cash is held and invested pending distribution to holders of the asset-backed securities or such other uses;

(i) a description of any subordination or seniority of the issue to other debts of the relevant entity already incurred or to be incurred;

(j) a summary of the flow of funds, including the payment allocations, rights in respect of interest and redemption and distribution priorities among all classes of the asset-backed securities being offered;

(k) any specified changes to the asset-backed securities structure or flow of funds that would be triggered upon a default or event of default; and

(l) any liquidation, amortisation, performance or similar triggers or events which would affect the asset-backed securities structure or flow of funds.

(8) MAS seeks your views as to whether there could be other features of asset-backed securities which should be specifically required in addition to those set out in paragraph 3.

Fees and Expenses

4. Provide an itemised list of all fees and expenses (other than expenses incurred for the offer) to be paid or payable out of the cash flows from the relevant assets. In itemizing the fees and expenses, also indicate their general purpose, the party
receiving such fees or expenses, the source of funds for such fees or expenses (if different from other fees or expenses or if such fees or expenses are to be paid from a specified portion of the cash flows) and the distribution priority of such expenses.

**Excess Cash Flow**

5. Disclose whether there is any intention or requirement to accumulate surpluses in the relevant entity and if so, for the benefit of whom.

**Multiple classes**

6. If one or more additional classes of asset-backed securities have been or may be issued by the relevant entity that are backed by the same asset pool, include a prominent statement to that effect and provide information regarding the additional asset-backed securities to the extent material to understanding their effect on the asset-backed securities being offered, including –

   (a) the relative priority of such additional securities to the asset-backed securities being offered and rights to the relevant assets and their cash flows;

   (b) the allocation of cash flow from the asset pool and any expenses or losses among the various classes of asset-backed securities;

   (c) the terms under which such additional classes of asset-backed securities may be issued and relevant assets increased or changed; and

   (d) a statement as to whether the prior approval of holders of the asset-backed securities will be sought.

**Enhancement**

7. Describe the material terms of any enhancement, including the manner in which each is designed to ensure the timely payment of monies in respect of the asset-backed securities being offered and any limits on the timing or amount of the enhancement or any conditions that must be met before the enhancement can be accessed.

8. If an entity or group of entities providing enhancement for the asset-backed securities being offered is liable or contingently liable to provide payments representing 10% or more of the cash flow supporting any class of asset-backed
securities being offered, provide information on the organisational form and business of the provider of such enhancement.

9. Disclose, to the extent that the relevant entity is aware or is able to ascertain from information published by the provider of enhancement, material financial information in respect of each provider, unless the shares or equity interests of the provider are already listed for quotation on a securities exchange or overseas securities exchange, in which case, the name of the exchange on which its shares or equity interests are already listed for quotation shall be disclosed in respect of the provider.

Credit Rating

10. If the relevant entity or the asset-backed securities being offered has been given a credit rating by a credit rating agency, disclose the name of the credit rating agency, the credit rating (including whether it is a short-term or long-term credit rating), whether or not the relevant entity or any of its related parties had paid any fee or benefit of any kind to the credit rating agency in consideration for the credit rating, and the date on which the credit rating was given.

Other Investment Considerations

11. Provide an explanation of any other matter which, in the reasonable opinion of the directors or equivalent persons of the sponsor and of the relevant entity, is likely to be of significance to investors relating to the offer. Any such explanation should be given appropriate prominence depending on the nature of the matter concerned and its significance to investors.

Reports

12. Describe the method whereby holders of the asset-backed securities will receive periodic reports or other documents on their investment, including information on the occurrence of any event, default or other matter which has or may have an adverse effect on the amount or timing of the principal sum or interest that is or will be payable to holders of the asset-backed securities.

13. Where applicable, include a statement that the relevant entity does not intend to publish annual reports and financial statements or that the trust deed constituting the offer requires the relevant entity to provide written confirmation to the trustee (or equivalent person), on an annual basis, that no event or default or other matter which is required to be brought to the trustee’s attention has occurred.
PART VI

RELEVANT ASSETS

Characteristics of Relevant Assets

1. Provide information on the types of relevant assets and selection criteria therefor, including –

   (a) the type or types of relevant assets to be securitised;
   
   (b) the material terms and conditions that apply in respect of each type of relevant assets;
   
   (c) the solicitation, credit-granting or underwriting criteria used to originate or purchase the relevant assets and the extent to which such criteria could be overridden;
   
   (d) the method and criteria by which the relevant assets are selected;
   
   (e) the process for handling delinquencies, losses, bankruptcies and recoveries; and
   
   (f) where legal or regulatory provisions may materially affect the performance of the relevant assets or payments or expected payments on the asset-backed securities, these provisions and their effect.

(9) MAS seeks your views as to whether the proposed requirements in paragraph 1 would provide investors with an adequate overview of the composition of the relevant assets and the processes involved.

2. Describe the material characteristics of the relevant assets, including –

   (a) the number of each type of relevant assets;
   
   (b) the total value of the relevant assets and the method of determining such value, including any assumption used;
   
   (c) the yield and a summary of the method whereby that yield is calculated; the issue and redemption prices as well as the nominal interest rate and, if
floating, how the rate is calculated; if several or variable interest rates are provided for, indicate the conditions for changes in the rate;

(d) the date from which interest accrues and the interest payment dates;

(e) the expiry or maturity dates of the relevant assets, if applicable;

(f) whether the relevant assets are secured or unsecured, and if secured, the type of collateral and the ratio of the value or amount of the relevant assets to the value or amount of such security at the time of the transfer or assignment of the relevant assets from the sponsor to the relevant entity;

(g) information on the credit quality of the obligors;

(h) the billing and payment procedures, including frequency of payment, payment options, fees, charges and origination or payment incentives; and

(i) the geographic distribution or other concentrations which are material to the asset type, if applicable.

(10) MAS seeks your comments on the proposed disclosures describing the material characteristics of the relevant assets set out in paragraph 2.

3. Provide a description of the cash flow profile of, the ageing of cash flows of, and, if available, historic levels of arrears of or rates of default in, the payments generated by the relevant assets.

4. Summarise any significant representations and warranties made concerning the relevant assets by the sponsor, depositor or any other party and describe briefly the remedies available if those representations and warranties are breached.

5. Describe any material direct or contingent claim that parties other than the holders of the asset-backed securities have on the relevant assets. Also describe any material cross-collateralisation or cross-default provisions relating to the relevant assets.

6. Provide information regarding circumstances where relevant assets may be added, substituted or removed from the asset pool, including –

   (a) when and how relevant assets can be removed or substituted;
(b) any differences in the acquisition or underwriting criteria for additional relevant assets and the criteria used to select the current asset pool;

(c) the party with the authority to add, remove or substitute assets from the asset pool or determine if such assets meet the acquisition or underwriting criteria for additional relevant assets;

(d) any requirements to add or remove minimum amounts of relevant assets and any effects of not meeting those requirements; and

(e) a statement of how investors will be notified of changes to the asset pool.

**Sale or Transfer of Relevant Assets**

7. Describe the sale or transfer of the relevant assets to the relevant entity as well as the creation of any security interest in favour of the relevant entity, the holders of the asset-backed securities or others, including the material terms of any agreement providing for such sale, transfer or creation of a security interest.

8. State the amount paid or to be paid for the relevant assets, the principles followed or to be followed in determining such amount and identify the persons making the determination and their relationship, if any, with the relevant entity, the sponsor, the depositor or any underwriter to the offer.

9. If expenses incurred in connection with the selection and acquisition of the relevant assets are to be paid out of the proceeds from the offer, disclose the amount of such expenses. If such expenses are to be paid to the sponsor, servicer, depositor, relevant entity, underwriter or any associate of the foregoing, separately identify the type and amount of expenses paid to each such party.

**Significant Obligors of Relevant Assets**

10. Where any obligor accounts for 10% or more of the total value of the relevant assets, provide –

    (a) the name, address, country of incorporation or constitution and nature of business of each obligor;
(b) to the extent that the relevant entity is aware or is able to ascertain from
information published by the obligor, material financial information in
respect of each obligor, unless –

(i) the shares or equity interests of the obligor are already listed for
quotation on a securities exchange or overseas securities exchange; or

(ii) the obligations of the obligor are guaranteed by an entity the
shares or equity interests of which are already listed for quotation on a
securities exchange or overseas securities exchange,
in which case, the name of the securities exchange or overseas securities
exchange on which its shares or equity interests are already listed for
quotation shall be disclosed in respect of the obligor or its guarantor entity,
where applicable;

(c) information on any relationship between the obligor or its guarantor
entity and the relevant entity or the sponsor;

(d) information on the nature of the concentration of the relevant assets with
the obligor; and

(e) the material terms of the relevant assets or the agreements with the
obligor involving the relevant assets.

PART VII

PARTICIPANTS

(11) Explanatory Note: As the sponsor, the depositor (where applicable), and the
servicer have important roles in relation to the asset-backed securities being
offered, MAS proposes to require that certain information on each of these
entities be provided.

MAS seeks your comments on the proposed disclosures set out in
paragraphs 1, 2 and 3.

Sponsor

1. Provide the following information in respect of the sponsor:
(a) the nature of its operations and principal activities;

(b) a summary of its securitisation programme and state how long the sponsor has been engaged in similar securitisation transactions; and

(c) its role and responsibilities in its securitisation programme, including whether the sponsor or its associate is responsible for originating, acquiring, pooling or servicing the asset pool, and the sponsor’s participation in setting up the asset-backed securities structure and in the management of the asset pool.

**Depositor**

2. If the depositor is not the same entity as the sponsor, provide the following information in respect of the depositor:

   (a) its ownership structure;

   (b) the nature of its operations and principal activities other than that of securitising assets; and

   (c) any continuing duties that it may have following the issuance of the asset-backed securities regarding the asset-backed securities or the asset pool.

**Servicer**

3. Provide the following information in respect of the servicer:

   (a) the nature of its operations and principal activities, and its experience in and procedures for servicing assets of the type included in the current asset pool;

   (b) the material terms of the servicing agreement and its duties in relation to servicing of the asset pool;

   (c) the manner in which amounts due in relation to the relevant assets will be collected and maintained;
(d) its ability to waive or modify any terms, fees, penalties or payments on the asset pool and the effect of any such ability, if material, on the potential cash flows from the asset pool;

(e) if it has custodial responsibility for any or all of the asset pool, describe the arrangements regarding the safekeeping and preservation of the assets and if it does not have custodial responsibility for the asset pool, disclose that fact and identify the party that has such responsibility;

(f) any limitations on its liability under the servicing agreement;

(g) its financial condition, if this could have a material impact on one or more aspects of servicing of the asset pool which in turn could materially affect the pool performance; and

(h) a summary of the terms regarding the removal, replacement or resignation of the servicer.

(12) MAS seeks your comments as to whether it is possible for the asset pool backing the asset-backed securities to be commingled with other assets of the servicer or other assets serviced by the servicer.

Directors and Controlling Persons

4. Provide the following information in respect to the directors or equivalent persons of the sponsor and of the relevant entity:

(a) name, details of past working experience, educational and professional qualification, if any, and areas of responsibility in the sponsor or relevant entity, as the case may be; and

(b) any principal business activity performed outside the sponsor or relevant entity and any past or current directorship or the equivalent office in the last 5 years other than directorship or the equivalent office in the sponsor or relevant entity, as the case may be.

5. To the extent known to the relevant entity, state whether the relevant entity is directly or indirectly owned or controlled by, whether severally or jointly, any person or government; and if so, give the name of such person or government, and briefly describe the nature of such control.
6. Disclose the following matters concerning a director or equivalent person of the sponsor, or a director or equivalent person or controlling shareholder or interest holder of the relevant entity:

(a) whether at any time during the last 10 years, a petition under any bankruptcy laws of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;

(b) whether at any time during the last 10 years, a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive, for the winding up or dissolution of that entity or where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

(c) whether there is any unsatisfied judgment against him;

(d) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment for 3 months or more, or has been the subject of any criminal proceedings (including any pending criminal proceedings which he is aware of) for such purpose;

(e) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or been the subject of any criminal proceedings (including any pending criminal proceedings which he is aware of) for such breach;

(f) whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings which he is aware of) involving an allegation of fraud, misrepresentation or dishonesty on his part;
(g) whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

(h) whether he has ever been disqualified from acting as a director or equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

(i) whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(j) whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of —

   (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

   (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

   (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

   (iv) any entity, or any business trust, which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust.

PART VIII

INTERESTS OF KEY PARTICIPANTS, EXPERTS, UNDERWRITERS AND FINANCIAL ADVISERS
Interests of Participants

1. If the sponsor, depositor or relevant entity has any business relationship, agreement, arrangement, transaction or understanding that is entered into outside the ordinary course of business or is on terms other than would be obtained in an arm’s length transaction with an unrelated third party, apart from the current offer, with the servicer, the trustee, a significant obligor or a provider of any enhancement, or any associates of such parties, that currently exists or has existed during the past two years, describe the nature and terms of such relationship, agreement, arrangement, transaction or understanding.

(13) MAS seeks your views as to whether information on interested person transactions or conflicts of interest would be meaningful in the context an offer of asset-backed securities.

Interests of Experts

2. If an expert named in the prospectus —

   (a) is employed on a contingent basis by the sponsor, depositor or relevant entity;

   (b) has a material interest, whether direct or indirect, in the asset-backed securities of the relevant entity; or

   (c) has a material economic interest, whether direct or indirect, in the relevant entity, including an interest in the success of the offer,

describe the nature and terms of such contingency or interest.

Interests of Underwriters or Financial Advisers

3. If, in the reasonable opinion of the directors or equivalent persons of the relevant entity, any underwriter or other financial adviser in relation to the offer has a material relationship with the sponsor, depositor or relevant entity, describe the nature and terms of such relationship.

PART IX

THE OFFER AND LISTING
Offer and Listing Details

1. Indicate the issue premium or discount at which the asset-backed securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser.

2. Indicate whether the asset-backed securities being offered are in registered or bearer form.

3. Describe the arrangement for transfer and any restriction on the free transferability of the asset-backed securities being offered.

Plan of Distribution

4. Where not all of the asset-backed securities being offered are underwritten or guaranteed, provide a statement of the portion not so underwritten or guaranteed.

5. State whether the relevant entity reserves the right to accept or retain over-subscriptions and, if the relevant entity reserves such a right, the limit on the right so reserved expressed as a sum of money. Also, indicate whether the amount of the offer can be increased, such as by the exercise of an underwriter’s over-allotment option, and state the exercise period of and amount under such option.

6. If applicable, identify any group of targeted potential investors to whom the asset-backed securities are offered. If the offer is being made simultaneously in the markets of 2 or more countries and if a tranche has been or is being reserved for any of these countries, indicate any such tranche.

Markets

7. Identify the securities exchange or overseas securities exchange on which the asset-backed securities of the same class as those being offered are already listed for quotation or quoted or on which permission to list for quotation or quote the asset-backed securities is being or is proposed to be sought.

8. When permission to list for quotation or quote on any securities exchange or overseas securities exchange is being or is proposed to be sought in respect of the asset-backed securities in paragraph 7 of this Part or the asset-backed securities which are the subject of the current offer, state that fact without creating the impression that the application for permission will necessarily be approved. If
known, provide the dates on which such asset-backed securities will be listed for quotation or quoted and on which trading will commence.

Dealing and Settlement

9. Provide information on any dealing and settlement arrangement.

PART X
ADDITIONAL INFORMATION

Constituent Documents of Relevant Entity

1. Provide a summary of the provisions of the relevant entity’s constituent documents and bylaws, including those which allow for the modification of the terms and conditions of the asset-backed securities.

(14) MAS seeks your views as to whether there could be aspects of the constituent documents pertaining to the asset-backed securities, e.g. in respect of the asset-backed securities structure or flow of funds, which may be modified subsequent to the issue of those asset-backed securities. If so, which aspects may be modified? And are such modifications subject to the approval of holders of those asset-backed securities?

Material Contracts

2. Provide a summary of each material contract that relates to the offer, other than a contract entered into in the ordinary course of business, to which the relevant entity is a party, for the period of 2 years before the date of lodgment of the prospectus, including the identity of the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity.

Taxation

3. Provide information regarding taxes (including withholding provisions) to which holders of the asset-backed securities may be subject. If the relevant entity is incorporated or constituted outside Singapore, the information shall include whether the relevant entity assumes responsibility for the withholding of tax at source and applicable provisions of any reciprocal tax treaties between the home country of the
relevant entity and Singapore, or a statement, if applicable, that there are no such treaties.

Statement by Experts

4. Where a statement or report attributed to a person as an expert is included in the prospectus, provide such person’s name, address and qualifications.

5. Where the prospectus contains any statement (including what purports to be a copy of or extract from a report, memorandum or valuation) made by an expert

   (a) state the date on which the statement was made;

   (b) state whether or not it was prepared by the expert for the purpose of incorporation in the prospectus; and

   (c) include a statement that the expert has given and has not withdrawn his written consent to the issue of the prospectus with the inclusion of the statement in the form and context in which it is included in the prospectus.

6. The information referred to in paragraphs 4 and 5 of this Part need not be provided in the prospectus if the statement attributed to an expert is a statement to which the exemption under regulation 22A is applicable.

Consent from Underwriters

7. Where a person is named in the prospectus as the underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given and has not withdrawn his written consent to being named in the prospectus as the underwriter to the offer.

Statement by the Directors of the Sponsor

8. Include a statement by the directors or equivalent persons of the sponsor that they individually and collectively accept full responsibility for the accuracy of the information given in the prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in the prospectus are fair and accurate in all material respects as at the date of the prospectus and that there are no material facts the omission of which would make any statement in the prospectus misleading.
Documents for Inspection

9. Provide a statement that for a period of at least 6 months from the date of registration by the Authority of the prospectus, the following documents (or copies thereof), where applicable, may be inspected at a specified place in Singapore:

(a) the constituent documents of the relevant entity;

(b) any trust deed, fiscal agency agreement or other document constituting the asset-backed securities;

(c) every material contract referred to in paragraph 2 of this part or, where the contract is not reduced into writing, a memorandum giving full particulars thereof;

(d) the servicing agreement referred to in paragraph 3(b) of Part VII of this Schedule;

(e) every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the prospectus; and

(f) in the case where the relevant assets were previously held by another entity and were that entity’s sole assets, the audited financial statements of that entity for the 2 most recent completed financial years, or for such number of financial years during which it has been in existence, if it has been in existence for less than 2 completed financial years, and has held those assets.

Litigation

10. Provide information on any legal or arbitration proceedings against the sponsor, the depositor, the trustee, the relevant entity, the servicer or the provider of any enhancement, including those which are pending or known to be contemplated, which may have or have had in the last 12 months before the date of lodgment of the prospectus a material effect on the financial position or profitability of the relevant entity or the provider.
PARTICULARS TO BE INCLUDED IN A PROSPECTUS UNDER SECTION 243 OF THE ACT IN RELATION TO AN OFFER OF DEBENTURES OR UNITS OF DEBENTURES OF AN ENTITY UNDER A DEBENTURE ISSUANCE PROGRAMME, WHERE THE DEBENTURES OR UNITS OF DEBENTURES ARE ASSET-BACKED SECURITIES

1. The base prospectus referred to in regulation 8(4)(i) applicable to all offers of debentures or units of debentures of an entity which are asset-backed securities under a debenture issuance programme (hereinafter the asset-backed securities) referred to in that regulation must contain all the information in the Twelfth Schedule to these Regulations, subject to the following additions and exceptions:

(a) the base prospectus must contain the following additional information:

(i) the maximum amount of asset-backed securities to be offered under the programme;

(ii) the terms and conditions applicable to all offers under the programme;

(iii) the duration of the programme;

(iv) a statement that the documents required by paragraph 8 of Part X of the Twelfth Schedule to these Regulations, shall be available for inspection throughout the duration of the programme; and

(v) a statement that the base prospectus as well as any supplementary base prospectus in respect of the programme, issued since the base prospectus was published, shall be available for inspection for as long as offers are made under the programme;

(b) if the base prospectus does not contain any information referred to in —
(i) paragraph 1 of Part III of the Twelfth Schedule to these Regulations;

(ii) paragraphs 1 to 5 and 7 to 8 of Part IV of the Twelfth Schedule to these Regulations;

(iv) paragraphs 3(a) to (e) and 10 of Part V of the Twelfth Schedule to these Regulations;

(v) paragraphs 2 to 5 and 8 to 10 of Part VI of the Twelfth Schedule to these Regulations; or

(vi) paragraphs 1 to 6 of Part IX of the Twelfth Schedule to these Regulations,

it must contain a prominent statement that such information shall be published from time to time by way of a pricing statement in relation to each offer under the programme;

(1) MAS seeks your comments on the proposed list of items which may be excluded from the base prospectus and whether there are other items in the Twelfth Schedule that could be excluded from the base prospectus and included subsequently by way of a pricing statement.

(c) the reference to the 6 months after the date of registration of the prospectus in the statement required in paragraph (h) of Part I of the Twelfth Schedule shall read as a reference to 24 months.

2. If the base prospectus does not contain any of the information referred to in paragraph 1 (b) of this Schedule, the pricing statement for each offer under the programme must contain that information as well as the following statements:

(a) “This offer is made on the basis of information contained in this statement as well as in the base prospectus and supplementary base prospectus or prospectuses, if any, in respect of the programme.”;

(b) “Copies of the base prospectus and supplementary base prospectus or prospectuses, if any, and this statement are available for collection at the times and places specified in this statement.”;
(c) “A copy of this statement has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”) together with the base prospectus. The Authority assumes no responsibility for the contents of this statement. Registration of this statement together with the base prospectus with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the asset-backed securities being offered as an investment.”; and

(d) a statement by the directors or equivalent persons of the sponsor that they individually and collectively accept full responsibility for the accuracy of the information given in the pricing statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in the pricing statement are fair and accurate in all material respects as at the date of the pricing statement and that there are no material facts the omission of which would make any statement in the pricing statement misleading.

3. The contents of each pricing statement, when read together with the base prospectus and any supplementary base prospectus, must contain the material terms and conditions of the offer to which it relates.

4. The pricing statement must not contain any information other than —

(a) information specified in paragraph 1(b) of this Schedule;

(b) information already contained in the base prospectus or any supplementary base prospectus; and

(c) other information specific and relevant only to that particular offer, which is permitted by the Authority.
[FOURTEENTH SCHEDULE]

PARTICULARS TO BE INCLUDED IN A PROSPECTUS UNDER SECTION 243 OF THE ACT IN RELATION TO AN OFFER OF DEBENTURES OR UNITS OF DEBENTURES OF AN ENTITY, OTHER THAN ONE IN RELATION TO A DEBENTURE ISSUANCE PROGRAMME, WHERE THE DEBENTURES OR UNITS OF DEBENTURES ARE STRUCTURED NOTES

(1) Explanatory Note: While structured notes have characteristics which are similar to those of asset-backed securities, there are unique disclosure issues, for example, concerning the reference assets, that have to be addressed for the former. In addition, structured notes are not always offered pursuant to a synthetic securitisation transaction and may be offered by a specified financial institution.

To avoid excessive clutter which may result from setting out the various permutations in the Twelfth Schedule, MAS has set out the prospectus requirements for offers of structured notes in a new Fourteenth Schedule.

Parts I to X of this Schedule contain prospectus requirements for an offer of structured notes by a specified financial institution. Part XI contains additional requirements that apply when an offer of structured notes is made pursuant to a synthetic securitisation transaction.

MAS seeks your comments on the requirements contained in this Schedule, and in particular, the matters set out in grey boxes below.

PART I

FRONT COVER

On the front cover of the prospectus, provide —
(a) the date of registration of the prospectus or, in the case of a supplementary prospectus or replacement prospectus, the date of lodgment of the supplementary prospectus or replacement prospectus;

(b) the following statements:

(i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.”; and

(ii) “A copy of this prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the prospectus. Registration of the prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the structured notes being offered for investment.”;

(c) the issuer in respect of which the debentures or units of debentures which are structured notes (hereinafter the structured notes) are being offered (hereinafter the relevant entity) and its country of incorporation or constitution;

(d) where applicable, a statement to the effect that an application has been or will be made to a securities exchange to list for quotation or quote the structured notes on that securities exchange, and the name of such securities exchange;

(e) the maturity date of the structured notes being offered;

(f) a statement in bold to the effect that structured notes which are sold or redeemed before their maturity date will be subject to unwinding or other transaction costs, and the amount received by investors may be lower than the initial amount they had invested; and

(g) a statement that no structured notes shall be allotted or allocated on the basis of the prospectus later than 6 months after the date of registration of the prospectus.
PART II
IDENTITY OF DIRECTORS, KEY EXECUTIVES, SIGNIFICANT ENHANCEMENT PROVIDERS, ADVISERS AND AGENTS

Directors and Key Executives

1. Provide the names, addresses and occupations of the directors or equivalent persons and key executives of the relevant entity.

Secretary of the Entity

2. Provide the name and professional qualifications of the secretary of the relevant entity, if any.

Advisers

3. Provide the name and address of the legal adviser for or in relation to the offer.

(2) MAS seeks your comment on whether there could be other advisers that a specified financial institution may engage for or in relation to an offer of structured notes.

Significant Enhancement Providers

4. Where an entity or a group of entities providing enhancement for the structured notes being offered is liable or contingently liable to provide payments representing 10% or more of the cash flow supporting any class of structured notes being offered, provide the names and addresses of the entity or entities.

(3) MAS seeks your views on whether it is possible that payments due to holders of structured notes offered by a prescribed financial institution might be guaranteed, regardless of whether partially or wholly, by another entity.

Auditors

5. Provide the names, addresses and professional qualifications (including membership in a professional body, if any) of the relevant entity’s auditors.
Registrars and Agents

6. Provide the names and addresses of the relevant entity’s paying agents, registrars and transfer agents for the structured notes being offered, where applicable.

7. Provide the names and addresses of the relevant entity’s trustee, fiscal agent or representative for the structured notes being offered, where applicable.

(4) MAS seeks your comments on whether the list of agents in paragraphs 6 and 7 is appropriate and complete.

PART III

PROSPECTUS SUMMARY AND RISK FACTORS

Prospectus Summary

(5) Explanatory Note: There is currently no requirement for a prospectus summary in the Schedules setting out the prospectus disclosure checklists. However, MAS is of the view that a prospectus summary will be useful to investors in view of the technical nature of information that is relevant to structured notes.

MAS seeks your comments on the proposal to require a prospectus summary. MAS also seeks your views on the proposed items in paragraph 1 of this Part and paragraph 3 of Part XI, and suggestions on additional items that should be considered for inclusion in a prospectus summary.

1. Provide the following information in the prospectus summary, as applicable —

   (m) state the classes of structured notes being offered and the basic terms of each class being offered, including –

       (i) the interest rate;
(ii) the final scheduled maturity or principal distribution dates, if applicable; and

(iii) the distribution frequency;

(n) identify any events or performance triggers that would alter the terms of each class of structured notes or the composition of the pool of reference assets (hereinafter the structured notes structure);

(6) MAS is proposing to require disclosure of any event or performance triggers that would alter the structured notes structure. MAS seeks your comments on whether there are other aspects of structured notes which could be altered as a result of an event or performance trigger that should also be disclosed.

(o) identify any optional or mandatory redemption or termination features;

(p) identify any enhancement for the structured notes being offered and briefly describe what protection or support is provided by the enhancement;

(q) summarise how losses not covered by any enhancement will be allocated to the structured notes being offered;

(r) identify the reference assets and the size and material characteristics of the pool of reference assets;

(s) if the reference assets can be added, removed or substituted, summarise the circumstances under which such actions can occur; and

(t) if the issuance or sale of any class of structured notes being offered is conditioned on the assignment of a rating by one or more rating agencies, state the rating agency and the minimum rating that must be assigned.

Risk Factors

2. Disclose, in a specific section with the heading “Risk Factors”, the risk factors that are specific to the relevant entity and the structured notes being offered, which had materially affected, or could materially affect, directly or indirectly, the value of the pool of reference assets or the investments held by holders of the structured notes.
PART IV

OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state —

   (a) the amount of subscriptions that are being sought and, where applicable, the fact that the subscriptions may be reduced;

   (b) the nature, denomination and, where applicable, number of structured notes being offered;

   (c) where the structured notes will be offered at a discount or a premium, the face value of the structured notes being offered; and

   (d) the currency of the issue and, if the issue is payable in any currency other than the currency of issue, disclose this fact.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to the offer procedure and where there is more than one group of targeted potential investors and the offer procedure is different for each group, for each group of targeted potential investors.

3. The time at, date on, and period during which the offer will be open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. Describe whether the offer period may be extended or shortened and if so, how it may be extended or shortened, and the duration of possible extensions or possible early closure of this period. Describe the manner in which any extension or early closure of the offer period shall be made public. If the exact date or period is not known when the prospectus is first lodged with the Authority, describe the arrangements for announcing the definitive date or period.

4. The method and time limit for paying up for the structured notes being offered.

5. The methods of and time limits for —
(a) the delivery of the documents evidencing title to the structured notes (including temporary documents of title, if applicable) being offered to subscribers or purchasers; and

(b) the book-entry transfers of the structured notes being offered in favour of subscribers or purchasers, as may be applicable.

6. In the case of pre-emptive purchase rights, the procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

7. A full description of the manner in which results of the allotment or allocation of the structured notes being offered are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

PART V

KEY INFORMATION

Relevant Entity

1. Provide the following information on the relevant entity —

(a) the date of incorporation or constitution and, where the constituent documents of the relevant entity provide a limit as to the duration for which the relevant entity is to exist, such duration;

(b) the legal form of the relevant entity, the legislation under which it operates and the address and telephone and facsimile numbers of its registered or principal office;

(c) a brief description of the business, operations and financial results and position of the relevant entity, or if the shares or equity interests of the relevant entity are listed for quotation on a securities exchange or overseas securities exchange, state how information on the business, operations and financial results and position of the relevant entity can be obtained and the name of the exchange on which its shares or equity interests are listed for quotation; and
the nature of operations and previous experience of the relevant entity in relation to the issue of structured notes which are similar to those being offered.

(7) Explanatory Note: While returns on an investment in structured notes is contingent on the performance of the reference assets, investors are also ultimately dependent on the ability of the specified financial institution to make payment when these fall due. In view of this, MAS proposes that information on the business, operations and financial results and position of the relevant entity should be disclosed in the prospectus unless it is already available in the public domain by virtue of its shares or equity interests being listed.

MAS also proposes that it is not necessary to require information on the legal and structural nature of the relevant entity as payments to investors will be made according to the terms of their contract rather than actual delivery in respect of the reference assets.

MAS seeks your comments on the proposed requirements in subparagraphs (c) and (d).

Trustee, Fiscal Agent or Representative

2. Provide the main terms of the document governing the trusteeship or representation of the trustee, fiscal agent or representative for the holders of structured notes, including provisions concerning functions, rights and obligations of the trustee, fiscal agent or representative.

Principal Terms and Conditions

3. Provide information on the structured notes being offered, including —

(a) the classes of structured notes being offered;

(b) the interest rate on each class of structured notes being offered, how such amounts are payable, how the rate is determined and how frequently it will be determined;

(c) the date from which interest accrues and the interest payment dates, where applicable;
(d) how the principal sum will be paid on the structured notes being offered, including maturity dates, amortisation or principal distribution schedules, principal distribution dates and factors that will affect the timing or amount of principal payments for each class of structured notes being offered;

(e) the final repayment date and any early repayment dates, specifying whether exercisable at the option of the relevant entity or the holder of the structured notes;

(f) if any class of the structured notes being offered includes an optional or mandatory redemption or termination feature –

   (i) the terms for triggering the redemption or termination process;

   (ii) the amount of the redemption or repurchase price or formula for determining such amount; and

   (iii) the procedures for redemption or termination, including any notices to the holders of the structured notes;

(g) the procedures for, and validity period of, claims to payment of interest and repayment of the principal sum;

(h) a description of any subordination or seniority of the issue to other debts of the relevant entity already incurred or to be incurred;

(i) any specified changes to the structured notes structure that would be triggered upon default or event of default; and

(j) any performance triggers or events which would affect the structured notes structure.

(8) MAS seeks your views as to whether the proposed features in paragraph 3 are relevant in the context of structured notes issued by a specified financial institution. MAS also seeks your inputs on other features of structured notes the disclosure of which should be specifically required.
(9) MAS seeks your views as to whether the terms and conditions of the structured notes could be modified subsequent to them being offered.

Enhancement

4. Describe the material terms of any enhancement, including the manner in which it is designed to ensure the timely payment of monies in respect of the structured notes being offered and any limits on the timing or amount of the enhancement or any conditions that must be met before the enhancement can be accessed.

5. If an entity or group of entities providing enhancement for the structured notes being offered is liable or contingently liable to provide payments representing 10% or more of the cash flow supporting any class of structured notes being offered, provide information on the organisational form and business of the provider of such enhancement.

6. Disclose, to the extent that the relevant entity is aware or is able to ascertain from information published by the provider of enhancement, material financial information in respect of each provider, unless the shares or equity interests of the provider are already listed for quotation on a securities exchange or overseas securities exchange, in which case, the name of the exchange on which its shares or equity interests are already listed for quotation shall be disclosed in respect of the provider.

Credit Rating

7. If the relevant entity or the structured notes being offered has been given a credit rating by a credit rating agency, disclose the name of the credit rating agency, the credit rating (including whether it is a short-term or long-term credit rating), whether or not the relevant entity or any of its related parties had paid any fee or benefit of any kind to the credit rating agency in consideration for the credit rating, and the date on which the credit rating was given.

Other Investment Considerations

8. Provide an explanation of any other matter which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, is likely to be of significance to investors relating to the offer. Any such explanation should be given appropriate prominence depending on the nature of the matter concerned and its significance to investors.
Reports

9. Describe the method whereby holders of the structured notes will receive periodic reports or other documents on their investment, including information on the occurrence of any event, default or other matter which has or may have an adverse effect on the amount or timing of the principal sum or interest that is or will be payable to the holders of the structured notes.

PART VI

REFERENCE ASSETS

Characteristics of Reference Assets

1. Provide information on the types of reference asset and selection criteria therefor, including –

   (a) the type or types of reference assets;

   (b) the material terms and conditions that apply in respect of each type of reference assets;

   (c) the method and criteria by which the reference assets are selected, if applicable;

   (d) the process for handling delinquencies, losses, bankruptcies and recoveries; and

   (e) where legal or regulatory provisions may materially affect performance of the reference assets or payments or expected payments on the structured notes, these provisions and their effect.

(10) MAS seeks your views as to whether the proposed requirements in paragraph 1 would provide investors with an adequate overview of the composition of the reference assets and the processes involved.

2. Describe the material characteristics of the reference assets for each class of structured notes being offered, including –

   (a) the particulars of each reference asset or basket of reference assets;
(b) the method of determining the notional value of the reference assets, including any assumption used;

(c) the yield and a summary of the method whereby the yield is calculated, the nominal interest rate and, if floating, how the rate is calculated; if several or variable interest rates are provided for, indicate the conditions for changes in the rate;

(d) information on the credit quality of the reference assets, if applicable; and

(e) the geographic distribution or other concentrations which are material to each type of reference assets, if applicable.

(11) MAS seeks your comments on the proposed disclosures describing the material characteristics of the reference assets set out in paragraph 2.

3. Provide a description of the historic levels of arrears of or rates of default in the payments generated by the reference assets, if applicable.

4. Summarise any significant representations and warranties made concerning the reference assets by any party and describe briefly the remedies available if those representations and warranties are breached.

5. Describe any material cross-default provisions relating to the reference assets.

6. Provide information regarding circumstances where reference assets may be added, substituted or removed, including -

   (a) when and how the reference assets can be removed or substituted;

   (b) any differences in the criteria for additional reference assets and the criteria used to select the current pool of reference assets;

   (c) any requirements to add or remove the reference assets and any effects of not meeting those requirements; and

   (d) a statement of how investors will be notified of changes to the pool of reference assets.
**Significant Exposure to Reference Assets**

7. Where any of the reference assets relate to the securities or performance of an entity which accounts for 10% or more of the value of the pool of reference assets, provide -

(a) the name, address, country of incorporation or constitution and nature of business of each entity;

(b) to the extent that the relevant entity is aware or is able to ascertain from information published by the entity, material financial information in respect of each entity, unless —

(i) the shares or equity interests of the entity are already listed for quotation on a securities exchange or overseas securities exchange; or

(ii) the obligations of the entity are guaranteed by another entity the shares or equity interests of which are already listed for quotation on a securities exchange or overseas securities exchange,

in which case, the name of the securities exchange or overseas securities exchange on which its shares or equity interests are already listed for quotation shall be disclosed in respect of the entity or its guarantor entity;

(c) information on any relationship between the entity or its guarantor entity and the relevant entity;

(d) information on the nature of the concentration of the reference assets with the entity; and

(e) the material terms of the reference assets or the agreements involving the reference assets.

(12) **Explanatory Note:** MAS is of the view that additional disclosures should be required in cases where there is significant exposure to a particular reference asset. We propose to define a significant exposure to a reference asset in terms of its value as a proportion of the value of the pool of reference assets.

MAS seeks your views on this approach. We also welcome suggestions on alternative ways of defining significant exposure.
PART VII

CONTROLLING SHAREHOLDERS, DIRECTORS AND KEY EXECUTIVES

1. Provide the following information in respect to the directors or equivalent persons and key executives of the relevant entity:

   (a) name, address, details of past working experience, educational and professional qualification, if any, and areas of responsibility in the relevant entity; and

   (b) any principal business activity performed outside the relevant entity and any past or current directorship or the equivalent office in the last 5 years other than directorship or the equivalent office in the relevant entity.

2. To the extent known to the relevant entity, state whether the relevant entity is directly or indirectly owned or controlled by, whether severally or jointly, any person or any government; and if so, give the name of such person or government, and briefly describe the nature of such control.

3. Disclose the following matters concerning a director or equivalent person, key executive or controlling shareholder or interest holder of the relevant entity if material in the context of the offer:

   (a) whether at any time during the last 10 years, a petition under any bankruptcy laws of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;

   (b) whether at any time during the last 10 years, a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive, for the winding up or dissolution of that entity or where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

   (c) whether there is any unsatisfied judgment against him;
(d) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment for 3 months or more, or has been the subject of any criminal proceedings (including any pending criminal proceedings which he is aware of) for such purpose;

(e) whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or been the subject of any criminal proceedings (including any pending criminal proceedings which he is aware of) for such breach;

(f) whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings which he is aware of) involving an allegation of fraud, misrepresentation or dishonesty on his part;

(g) whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

(h) whether he has ever been disqualified from acting as a director or equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

(i) whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(j) whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of —

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(iv) any entity, or any business trust, which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust.

PART VIII

INTERESTS OF EXPERTS AND FINANCIAL ADVISERS

Interests of Experts

1. If an expert named in the prospectus —

   (a) is employed on a contingent basis by the relevant entity;

   (b) has a material interest, whether direct or indirect, in the structured notes of the relevant entity; or

   (c) has a material economic interest, whether direct or indirect, in the relevant entity, including an interest in the success of the offer,

describe the nature and terms of such contingency or interest.

Interests of Financial Advisers

2. If, in the reasonable opinion of the directors or equivalent persons of the relevant entity, any financial adviser in relation to the offer has a material relationship with the relevant entity, describe the nature and terms of such relationship.
PART IX

THE OFFER AND LISTING

Offer and Listing Details

1. Indicate the issue premium or discount at which the structured notes are being offered and the amount of any expense specifically charged to the subscriber or purchaser.

2. Indicate whether the structured notes being offered are in registered or bearer form.

3. Describe the arrangement for transfer and any restriction on the free transferability of the structured notes being offered.

Plan of Distribution

4. Where not all of the structured notes being offered are underwritten or guaranteed, provide a statement of the portion not so underwritten or guaranteed.

5. State whether the relevant entity reserves the right to accept or retain over-subscriptions and, if the relevant entity reserves such a right, the limit on the right so reserved expressed as a sum of money. Also, indicate whether the amount of the offer can be increased, and state the exercise period of and amount under such option.

6. If applicable, identify any group of targeted potential investors to whom the structured notes are offered. If the offer is being made simultaneously in the markets of 2 or more countries and if a tranche has been or is being reserved for any of these countries, indicate any such tranche.

Markets

7. Identify the securities exchange or overseas securities exchange on which the structured notes of the same class as those being offered are already listed for quotation or quoted or on which permission to list for quotation or quote the structured notes is being or is proposed to be sought, if applicable.

8. When permission to list for quotation or quote on any securities exchange or overseas securities exchange is being or is proposed to be sought in respect of the
structured notes in paragraph 7 of this Part or the structured notes which are the subject of the current offer, state that fact without creating the impression that the application for permission will necessarily be approved. If known, provide the dates on which such structured notes will be listed for quotation or quoted and on which trading will commence.

**Dealing and Settlement**

9. Provide information on any dealing and settlement arrangement, where applicable.

**PART X**

**ADDITIONAL INFORMATION**

**Material Contracts**

1. Provide a summary of each material contract that relates to the offer, other than a contract entered into in the ordinary course of business, to which the relevant entity is a party, for the period of 2 years before the date of lodgment of the prospectus, including the identity of the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity.

(13) MAS seeks your views as to whether requiring disclosure of material contracts other than those entered into in an ordinary course of business as set out in paragraph 1 is relevant in the context of structured notes issued by a specified financial institution.

**Taxation**

2. Provide information regarding taxes (including withholding provisions) to which holders of the structured notes may be subject. If the relevant entity is incorporated or constituted outside, the information shall include whether the relevant entity assumes responsibility for the withholding of tax at source and applicable provisions of any reciprocal tax treaties between the home country of the relevant entity and Singapore, or a statement, if applicable, that there are no such treaties.
Statement by Experts

3. Where a statement or report attributed to a person as an expert is included in the prospectus, provide such person’s name, address and qualifications.

4. Where the prospectus contains any statement (including what purports to be a copy of or extract from a report, memorandum or valuation) made by an expert

   (a) state the date on which the statement was made;

   (b) state whether or not it was prepared by the expert for the purpose of incorporation in the prospectus; and

   (c) include a statement that the expert has given and has not withdrawn his written consent to the issue of the prospectus with the inclusion of the statement in the form and context in which it is included in the prospectus.

5. The information referred to in paragraphs 3 and 4 of this Part need not be provided in the prospectus if the statement attributed to an expert is a statement to which the exemption under regulation 22A is applicable.

Documents for Inspection

6. Provide a statement that for a period of at least 6 months from the date of registration by the Authority of the prospectus, the following documents (or copies thereof), where applicable, may be inspected at a specified place in Singapore:

   (a) the constituent documents of the relevant entity;

   (b) any trust deed, fiscal agency agreement or other document constituting the structured notes;

   (c) every material contract referred to in paragraph 1 of this Part or, where the contract is not reduced into writing, a memorandum giving full particulars thereof;

   (d) every report, memorandum, letter, valuation, statement or other document by any expert any part of which is included or referred to in the prospectus; and
(e) the audited and interim financial statements of the relevant entity and where the relevant entity is part of a group, the audited and interim financial statements of the group.

Litigation

7. Provide information on any legal or arbitration proceedings against the relevant entity, trustee or provider of any enhancement, including those which are pending or known to be contemplated, which may have or have had in the last 12 months before the date of lodgment of the prospectus a material effect on the financial position or profitability of the relevant entity or provider.

PART XI

ADDITIONAL INFORMATION REQUIRED FOR STRUCTURED NOTES ISSUED PURSUANT TO A SYNTHETIC SECURITISATION TRANSACTION

(14) Explanatory Note: To cater to instances where a single-purpose vehicle is created to facilitate the offer of structured notes, certain modifications, exceptions and additions have been made to the requirements in Parts I to X of this Schedule.

1. In relation to an offer of structured notes issued pursuant to a synthetic securitisation transaction, the prospectus must contain all the information required in this Schedule, subject to the following modifications, exceptions and additions:

   (a) the information required under paragraph (f) of Part I of this Schedule and paragraph 1(d) and (e) of Part V of this Schedule need not be provided;

   (b) in respect of Part II of this Schedule, provide the names and addresses of the sponsor, the servicer, the relevant entity’s principal banker or bankers, the underwriter of the offer, if any and the receiving bankers for the structured notes being offered, where applicable, and the names, addresses and occupations of the directors or equivalent persons of the sponsor;

   (c) in respect of paragraph 1 of Part VII of this Schedule, provide information on the directors or equivalent persons of the sponsor;
(d) in respect of paragraph 3 of Part VII of this Schedule, matters concerning a director or equivalent person of the sponsor, if material in the context of the offer, must also be disclosed;

(e) in respect of paragraph 1(a) and 2 of Part VIII of this Schedule, provide the relevant information if an expert named in the prospectus is employed on a contingent basis by the sponsor, or if in the reasonable opinion of the directors or equivalent persons of the sponsor or relevant entity, any underwriter or other financial adviser has a material relationship with the sponsor or relevant entity;

(f) in respect of paragraph 6 of Part X of this Schedule, the servicing agreement referred to in paragraph 21(b) of this Part should be included and the audited and interim financial statements of the relevant entity and where the relevant entity is part of a group, the audited and interim financial statements of the group need not be provided;

(g) in respect of paragraph 7 of Part X of this Schedule, include information on any legal or arbitration proceedings against the sponsor or the servicer, including those which are pending or known to be contemplated, which may have or have had in the last 12 months before the date of lodgment of the prospectus a material effect on the financial position or profitability of the relevant entity.

(h) any information required of key executives of the relevant entity in this Schedule need not be provided; and

(i) the additional information described in paragraphs 2 to 24 of this Part must be provided.

**Front Cover**

2. On the front cover of the prospectus, provide –

(a) the name of the sponsor and the servicer; and

(b) a statement, if applicable, that the structured notes represent the obligations of the relevant entity only and do not represent the obligations of or interests in the sponsor or any of its associates.
**Prospectus Summary**

3. Provide the following information in the prospectus summary, as applicable —

   (a) summarise how the cash flows generated by the reference assets and the pool assets will be allocated among all the classes of structured notes and fees and expenses (hereinafter the flow of funds), to the extent necessary to understand the payment characteristics of the classes being offered;

   (b) identify any events or performance triggers that would alter the flow of funds;

   (c) describe the roles of the sponsor in relation to the synthetic securitisation transaction and the servicer in relation to the servicing of the pool assets and the management of the pool of reference assets; and

   (d) summarise the amount or formula for calculating the fee that the servicer will receive for performing its duties, and how this fee will be borne.

**Information on the Relevant Entity**

4. Provide the following information in respect of the relevant entity:

   (a) a summary of the permissible activities or any restrictions on activities under its constitutive documents, including any restrictions on the ability to issue or invest in additional securities, to enter into arrangements to create exposure to additional reference assets, to borrow money or to make loans to other persons, and any provisions which provide for modification of its constitutive documents;

   (b) any specific discretionary activities with regard to the administration of the pool assets, the pool of reference assets or the structured notes, and identify the person or persons who will be authorised to exercise such discretion;

   (c) any assets owned or to be owned by the relevant entity, apart from the pool assets, as well as any liabilities of the relevant entity, apart from the structured notes and exposure created pursuant to the synthetic securitisation transaction;
(d) the terms of any management or administration agreement regarding the relevant entity; and

(e) its capitalisation and the amount and nature of any equity contribution.

(15) **Explanatory Note:** As the relevant entity in the case of an offer of structured notes pursuant to a synthetic securitisation transaction is designed to be a solely passive entity, information relating to the business, operations or financials of the relevant entity would not provide useful information to investors. Hence, MAS proposes that such information need not be provided pursuant to paragraph 1(a) of this Part.

Instead, MAS proposes that information pertaining to the legal and structural nature of the relevant entity should be disclosed instead.

MAS seeks your comments on this approach and on the proposed requirements set out in paragraph 4.

**Principal Terms and Conditions**

5. Provide the following information on the structured notes:

   (a) a description of how cash is held and invested pending distribution to holders of the structured notes or such other uses;

   (b) a summary of the flow of funds, including the payment allocations, rights in respect of interest and redemption and distribution priorities of the classes of structured notes being offered;

   (c) any specified changes to the flow of funds that would be triggered upon default or event of default;

   (d) any performance triggers or events which would affect the flow of funds; and

   (e) any legislation under which the structured notes have been created and the governing law and competent courts in the event of litigation.
(16) MAS seeks your views on the additional features in paragraph 5 that should also be disclosed where the structured notes are issued pursuant to a synthetic securitisation transaction and suggestions on other features of structured notes the disclosure of which should be specifically required.

Fees and Expenses

6. Provide an itemised list of all fees and expenses (other than expenses incurred for the offer) to be paid or payable out of the cash flows from the reference assets and pool assets. In itemizing the fees and expenses, also indicate their general purpose, the party receiving such fees or expenses, the source of funds for such fees or expenses (if different from other fees or expenses or if such fees or expenses are to be paid from a specified portion of the cash flows) and the distribution priority of such expenses.

Excess Cash Flow

7. Disclose whether there is any intention or requirement to accumulate surpluses in the relevant entity and if so, for the benefit of whom.

Multiple classes

8. If one or more additional classes of structured notes have been or may be issued by the relevant entity that are backed by the same pool of reference assets and pool assets, include a prominent statement to that effect and provide information regarding the additional structured notes to the extent material to understanding their effect on the structured notes being offered, including –

(a) the relative priority of such additional structured notes to the structured notes being offered and rights to the pool assets and cash flows from the pool of reference assets and the pool assets;

(b) the allocation of cash flow from the pool of reference assets and the pool assets and any expenses or losses among the various classes of structured notes;

(c) the terms under which such additional classes of structured notes may be issued and reference assets increased or changed; and
(d) a statement as to whether the prior approval of the holders of the structured notes will be sought.

**Reports**

9. Where applicable, include a statement that the relevant entity does not intend to publish annual reports and financial statements or that the trust deed constituting the offer requires the relevant entity to provide confirmation to the trustee (or equivalent person), on an annual basis, that no event or default or other matter which is required to be brought to the trustee’s attention has occurred.

**Characteristics of Reference Assets**

10. Provide the following additional information on the reference assets:

   (a) the date from which interest or payments accrues and the payment dates;

   (b) the expiry or maturity dates of the reference assets, if applicable; and

   (c) billing and payment procedures, including frequency of payment, payment options, fees, charges and origination or payment incentives.

11. Provide a description of the cash flow profile of, the ageing of cash flows of, and, if available, historical levels of arrears of or rates of defaults in, the payments generated by the reference assets.

12. Disclose the party with the authority to add, remove or substitute assets from the pool of reference assets or determine if such assets meet the acquisition or underwriting criteria for additional reference assets.

**Arrangements to Create Exposure to Reference Assets**

13. Describe how exposure to the reference assets and any security interest in favour of the relevant entity or the holders of the structured notes is created, including the material terms of any agreement providing for such creation.

14. State the amount paid or to be paid for exposure to the reference assets, the principles followed or to be followed in determining such amount and identify the persons making the determination and their relationship, if any, with the relevant entity, the sponsor or any underwriter to the offer.
15. If expenses incurred in connection with the selection and acquisition of exposure to the reference assets are to be paid out of the proceeds from the offer, disclose the amount of such expenses. If such expenses are to be paid to the sponsor, the servicer, the relevant entity, the underwriter or any associate of the foregoing, separately identify the type and amount of expenses paid to each such party.

Reference Counterparties

16. Provide the following information in respect of each person who is directly or indirectly committed by contract or other arrangement to make payments in respect of any reference asset (hereinafter referred to as reference counterparties):

(a) the name, address, country of incorporation and nature of business of each reference counterparty;

(b) to the extent that the relevant entity is aware or is able to ascertain from information published by the reference counterparty, material financial information in respect of each reference counterparty, unless the shares or equity interests of the reference counterparty are already listed for quotation on a securities exchange or overseas securities exchange, in which case, the name of the exchange on which its shares or equity interests are already listed for quotation shall be disclosed in respect of the reference counterparty;

(c) the credit quality of the reference counterparty;

(d) information on any relationship between the reference counterparty and the relevant entity or the sponsor;

(e) information on the nature of the concentration of the reference assets with the reference counterparty; and

(f) the material terms of the agreements with the reference counterparty involving the reference asset.
(17) **Explanatory Note:** Unlike in the case of asset-backed securities where the relevant assets are held by the special purpose vehicle, reference assets are not held by the single purpose vehicle. Instead, exposure to the reference assets is derived through arrangements made with third parties. As cash flows to the single purpose vehicle are dependent on the ability of these third parties to make payments when these fall due, MAS proposes that certain information on these third parties should be disclosed.

**MAS seeks your comments on the proposed requirements set out in paragraph 16.**

**Pool Assets**

17. Provide the following information on the pool assets:

   (a) the total value of the pool assets and the method of determining such value, including any assumption used;

   (b) the yield and a summary of the method whereby that yield is calculated, the nominal rate of return and, if floating, how the rate is calculated; if several or variable rates are provided for, indicate the conditions for changes in the rate;

   (c) the date from which interest accrues and the interest payment dates;

   (d) the expiry or maturity dates of the pool assets, if applicable;

   (e) whether the pool assets are secured or unsecured, and if secured, the type of collateral and the ratio of the value or amount of the pool assets to the value or amount of such security at the time of the transfer of the pool assets to the relevant entity;

   (f) information on the credit quality of the pool assets; and

   (g) where legal or regulatory provisions may materially affect the performance of the pool assets, provide information on these provisions and their effect.
Participants

18. Provide the names and addresses of the sponsor, the servicer, the principal banker or bankers of the relevant entity and the receiving bankers for the structured notes, where applicable.

19. Provide the following information in respect of the sponsor:

(a) the nature of its operations and principal activities;

(b) a summary of its synthetic securitisation programme and state how long the sponsor has been engaged in similar synthetic securitisation transactions; and

(c) its role and responsibilities in its synthetic securitisation programme, including the sponsor’s participation in setting up the structured notes structure, and in the management of the pool of reference assets and the pool assets.

20. Provide the following information in respect of the servicer:
(a) the nature of its operations and principal activities, and its experience in and procedures for servicing assets of the type included in the reference assets and the current pool assets;

(b) the material terms of the servicing agreement and its duties in relation to the servicing of the pool assets and the management of the pool of reference assets;

(c) the manner in which amounts due in relation to the reference assets and pool assets will be collected and maintained;

(d) its ability to waive or modify any terms, fees, penalties or payments on the reference assets or pool assets and the effect of any such ability, if material, on the potential cash flows from the pool of reference assets or pool assets;

(e) if it has custodial responsibility for any or all of the pool assets, describe the arrangements regarding the safekeeping and preservation of the assets and if it does not have custodial responsibility for any or all the pool assets, disclose that fact and identify the party that has such responsibility;

(f) any limitations on its liability under the servicing agreement;

(g) its financial condition, if this could have a material impact on one or more aspects of its servicing which in turn could materially affect the performance of the structured notes; and

(h) a summary of the terms regarding the removal, replacement or resignation of the servicer.

(20) MAS seeks your comments as to whether it is possible for the pool assets held in relation to the structured notes to be commingled with other assets of the servicer or other assets serviced by the servicer.

Interests of Participants

21. If the sponsor or relevant entity has any business relationship, agreement, arrangement, transaction or understanding that is entered into outside the ordinary course of business or is on terms other than would be obtained in an arm’s length transaction with an unrelated third party, apart from the current offer, with the
servicer, the trustee, a reference counterparty or a provider of any enhancement, or any associates of such parties, that currently exists or has existed during the past two years, describe the nature and terms of such relationship, agreement, arrangement, transaction or understanding.

(21) MAS seeks your views as to whether information on interested person transactions or conflicts of interest would be meaningful in the context an offer of asset-backed securities.

**Constituent Documents of Relevant Entity**

22. Provide a summary of the provisions of the relevant entity’s constituent documents and bylaws.

**Consent from Underwriters**

23. Where a person is named in the prospectus as the underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given and has not withdrawn his written consent to being named in the prospectus as the underwriter to the offer.

**Statement by the Directors of the Sponsor**

24. Include a statement by the directors or equivalent persons of the sponsor that they individually and collectively accept full responsibility for the accuracy of the information given in the prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in the prospectus are fair and accurate in all material respects as at the date of the prospectus and that there are no material facts the omission of which would make any statement in the prospectus misleading.
[FIFTEENTH SCHEDULE]

Regulation 8(4)(ii)

PARTICULARS TO BE INCLUDED IN A PROSPECTUS UNDER SECTION 243 OF THE ACT IN RELATION TO AN OFFER OF DEBENTURES OR UNITS OF DEBENTURES OF AN ENTITY UNDER A DEBENTURE ISSUANCE PROGRAMME, WHERE THE DEBENTURES OR UNITS OF DEBENTURES ARE STRUCTURED NOTES

1. The base prospectus referred to in regulation 8(4)(ii) applicable to all offers of debentures or units of debentures of an entity which are structured notes under a debenture issuance programme (hereinafter the structured notes) referred to in that regulation must contain all the information in the Fourteenth Schedule to these Regulations, subject to the following additions and exceptions:

(a) the base prospectus must contain the following additional information:

(i) the maximum amount of structured notes to be offered under the programme;

(ii) the terms and conditions applicable to all offers under the programme;

(iii) the duration of the programme;

(iv) a statement that the documents required by paragraph 6 of Part X of the Fourteenth Schedule to these Regulations and paragraph 1(e) of Part XI of the Fourteenth Schedule to these Regulations, where applicable, shall be available for inspection throughout the duration of the programme; and

(v) a statement that the base prospectus as well as any supplementary base prospectus in respect of the programme, issued since the base prospectus was published, shall be available for inspection for as long as offers are made under the programme;

(b) if the base prospectus does not contain any information referred to in—
(i) paragraph 1 of Part III and where applicable, paragraph 3 of Part XI of the Fourteenth Schedule to these Regulations;

(ii) paragraphs 1 to 5 and 7 of Part IV of the Fourteenth Schedule to these Regulations;

(iii) paragraphs 3(a) to (e), and 7 of Part V of the Fourteenth Schedule to these Regulations;

(iv) paragraphs 2 to 5 of Part VI and where applicable, paragraphs 10 and 11 and 14 to 17 of Part XI of the Fourteenth Schedule to these Regulations; or

(v) paragraphs 1 to 6 of Part IX of the Fourteenth Schedule to these Regulations,

it must contain a prominent statement that such information shall be published from time to time by way of a pricing statement in relation to each offer under the programme;

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**1.** MAS seeks your comments on the proposed list of items which may be excluded from the base prospectus and whether there are other items in the Fourteenth Schedule that could be excluded from the base prospectus and included subsequently by way of a pricing statement.

(c) the reference to the 6 months after the date of registration of the prospectus in the statement required in paragraph (e) of Part I of the Fourteenth Schedule shall read as a reference to 24 months.

2. If the base prospectus does not contain any of the information referred to in paragraph 1(b) of this Schedule, the pricing statement for each offer under the programme must contain that information as well as the following statements:

(a) “This offer is made on the basis of information contained in this statement as well as in the base prospectus and supplementary base prospectus or prospectuses, if any, in respect of the programme.”;
(b) “Copies of the base prospectus and supplementary base prospectus or prospectuses, if any, and this statement are available for collection at the times and places specified in this statement.”;

(c) “A copy of this statement has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”) together with the base prospectus. The Authority assumes no responsibility for the contents of this statement. Registration of this statement together with the base prospectus with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the structured notes being offered as an investment.”; and

(d) where the structured notes are issued pursuant to a synthetic securitisation transaction, a statement by the directors or equivalent persons of the sponsor that they individually and collectively accept full responsibility for the accuracy of the information given in the pricing statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in the pricing statement are fair and accurate in all material respects as at the date of the pricing statement and that there are no material facts the omission of which would make any statement in the pricing statement misleading.

3. The contents of each pricing statement, when read together with the base prospectus and any supplementary base prospectus, must contain the material terms and conditions of the offer to which it relates.

4. The pricing statement must not contain any information other than —

   (a) information specified in paragraph 1(b) of this Schedule;

   (b) information already contained in the base prospectus or any supplementary prospectus; and

   (c) other information specific and relevant only to that particular offer, which is permitted by the Authority.