Annex A

LIST OF RESPONDENTS TO THE CONSULTATION PAPER ON PROPOSED EXEMPTION FRAMEWORK FOR CROSS-BORDER BUSINESS ARRANGEMENTS OF CAPITAL MARKETS INTERMEDIARIES INVOLVING FOREIGN OFFICES

1. AAM Advisory Pte Ltd, who requested confidentiality of submission
2. Aon Singapore Pte Ltd
3. Asia Securities Industry & Financial Markets Association
4. Baker & McKenzie.Wong & Leow, who requested confidentiality of submission
5. Investment Management Association of Singapore
6. Respondent A, who requested confidentiality of identity

Ten respondents requested full confidentiality of identity and submission.

LIST OF RESPONDENTS TO THE CONSULTATION PAPER ON PROPOSED AML NOTICES FOR CROSS-BORDER BUSINESS ARRANGEMENTS OF CAPITAL MARKETS INTERMEDIARIES UNDER PROPOSED EXEMPTION FRAMEWORKS

1. Asia Securities Industry & Financial Markets Association
2. Lymon Pte. Ltd.
3. Shook Lin & Bok LLP
4. Sidley Austin LLP, who requested confidentiality of submission

Seven respondents requested full confidentiality of identity and submission.

Please refer to Annex B for the submissions.

Annex B

FULL SUBMISSIONS FROM RESPONDENTS TO THE CONSULTATION PAPER ON

(I) PROPOSED EXEMPTION FRAMEWORK FOR CROSS-BORDER BUSINESS ARRANGEMENTS OF CAPITAL MARKETS INTERMEDIARIES INVOLVING FOREIGN OFFICES

Note: The table below only includes submissions for which respondents did not request confidentiality.

S/N	Respondent	Full Responses from Respondent
1.	Aon Singapore Pte Ltd	**Question 7(c): MAS seeks comments on the proposed Annex A3.** (1) It is not clear whether it is mandatory to submit a nil annual declaration if there had not been any cross border transactions notified to MAS in the year. Appreciate the Authority's clarification on this. (2) In Annex 3 - Section 3: Annual Certification by Independent Assurance Function - field "Others". Can the FI's non-business functions, such as Finance/ Risk/ Compliance perform this certification?
2.	Asia Securities Industry & Financial Markets Association	**Question 1. MAS seeks comments on the introduction of the proposed Branch Framework, as set out in section 3.** We are supportive of the proposed Branch Framework, which provides certainty to the position for foreign offices and ensures a level playing field between the FRC framework as well as Foreign Offices. ***(A) <u>Scope and application of regulation</u>*** In the course of considering the application of the Branch Framework in practical situations, we (noting MAS' comments in paragraph 2.2 of the Consultation Paper) have identified a number of areas where it is unclear if a Foreign Office or a Foreign Subsidiary would come into scope of the SFA and FAA. These situations arise because of shifts in the way that the industry conducts

S/N	Respondent	Full Responses from Respondent
		business. Two key factors stand out: (i) technological improvements have resulted in greater centralisation of relationships and functions, such as call centres or other functions, as well as the concentration of product or service specialists in a single location, and (ii) the increasing globalised nature of companies means that they may have relationships with an institution in multiple jurisdictions, and may equally conduct their business on centralised basis or in a manner that is not apparently tied to a specific office or jurisdiction – this in turn creates ambiguity as to whether they are "Singapore clients" for the purposes of the Branch Framework. We have identified a number of these areas below and summarised the concerns. We are grateful to the MAS for the guidance provided in the Guidelines on the Application of Section 339 (Extra-territoriality) of the Securities and Futures Act, but note that the evolving landscape means that the guidance (last updated in 2014) may not address many scenarios that international financial institutions ("**FIs**") now have to contend with. We would therefore be very keen to engage with the MAS on this, and would be grateful if MAS could provide further guidance on these issue and/or generally consider a broader roundtable discussion on the scope of the extra-territorial reach of Singapore regulations. **(1) Whether arrangements for FIs relying on "follow the sun" models would need to comply with the Branch Framework** MAS has noted that where the conduct of the regulated activity takes place wholly outside Singapore but has a substantial and reasonably foreseeable effect in Singapore, the Foreign Offices are subject to the applicable conduct requirements under the SFA and FAA. Many global leading FIs provide a seamless market access service to clients with a global presence via a "follow the sun" model, where sales and trading desks located in different jurisdictions can provide client support and execution instructions received from clients globally. It is the preferred model as opposed to setting up a local team in Singapore providing round-the-clock support for a relatively small volume of trades. We understand that some industry players rely on the clients' reverse enquiry (where there is no solicitation by the Foreign Office) to provide such services. In such cases, the foreign representatives would not pro-actively contact clients to provide regulated services but would act based on requests from clients only when contacted by clients, perhaps via a hotline, to execute a certain trade.

S/N	Respondent	Full Responses from Respondent
		In other cases, for example where the FI is involved in banking and mergers and acquisition ("**M&A**") activity, international debt capital markets ("**DCM**") issuances (for instance USD, EUR, GBP issuances) can typically involve a head office (therefore relying on the proposed branch framework) with various functions (such as product coverage or syndicate) being based outside Singapore. Certain client coverage activities will be undertaken by the relevant Singapore based banking team such as in time-zone transaction management, physical attendance at pitch and/or due diligence and/or drafting meetings). Cross-border M&A transactions can include an onshore buyer/seller are working with an offshore seller/buyer with the non-Singapore based team taking the lead advising the onshore client (for instance because of pre-existing global relationship with the client group). The Singapore based team may be providing certain local geographic/sector support in time zone and may attend meetings at which the client is present in Singapore. In these scenarios, since the Singapore-based banking team would not be carrying on business under the Singapore branch, it would not be relying on its Singapore licence. Please could MAS clarify that, provided the Singapore FI is supporting the relevant offshore branch in undertaking permissible business under the Branch Framework, the Singapore FI will not be subject to additional conduct/license/supervision requirements in Singapore (vis-à-vis its Foreign Offices). Other industry players also rely on the limited persons "exemption" when providing services from wholly offshore (by a FRC or Foreign Office, with no involvement of the Singapore FI), where the services are only provided to a limited number of persons in Singapore (i.e. no more than 20), each of whom qualifies as an "accredited investor" or "institutional investor". In particular, we note that MAS has stated in paragraph 4.5(a) of the Guidelines on the Application of Section 339 (Extra-Territoriality) of the Securities and Futures Act [SFA 15-G01] that it is not MAS' policy intent to regulate activities that a foreign entity carries on wholly outside Singapore that involve persons in Singapore where the foreign entity is responding to unsolicited enquiries or applications from persons in Singapore. On the basis that such arrangements are meant to provide support to existing clients, and not to expand active solicitations beyond the Singapore team, we would appreciate if MAS can confirm that such cross-border arrangements are not intended to fall within the Branch Framework. **(2) Clients acting through multiple offices**

S/N	Respondent	Full Responses from Respondent
		Multi-national clients frequently deal with banks through multiple different offices. However, certain functions of the client may be centralised – for instance, their trading teams may sit within a certain office and have authority to book trades out to other offices (or members of the group). In these cases, the decision on where to book the trade may not be taken until as late as the point of trade execution. Similarly, there are cases where a bank may deal with a fund manager that has discretion to allocate trades between multiple clients or accounts. The bank may not have visibility on the jurisdiction or location of the end client or account until such time that the trade is executed. It is not operationally feasible or possible for the bank to treat the entire arrangement as being in-scope (particularly where the manager and other accounts are located outside Singapore). We would submit that in the above circumstances, the bank's activities should not be considered to have a substantial or reasonably foreseeable effect in Singapore and would be grateful for further guidance from MAS on this. ***(B) <u>Responses on scope of Branch Framework</u>*** We have set out below some general comments on the implementation and application of the Branch Framework. **(1) Scope of "business arrangement"** Please could MAS confirm that, as long as the Singapore FI complies with the requirements under the Regulations and the Notices, FIs are otherwise free to determine the roles and level of involvement of the Singapore FI and the Foreign Office. **(2) Regulatory treatment of representatives** Please could MAS provide guidance on when a foreign representative is considered to be acting on behalf of Singapore FI (where the proposed Branch Framework would not apply) or on behalf of the Foreign Office (where the proposed Branch Framework would apply).

S/N	Respondent	Full Responses from Respondent
		In particular: (a) in the case where the foreign representative engages with clients (regardless of domicile) and the Singapore FI is used purely as a booking centre, would the foreign representative be considered as acting on behalf of Singapore FI? Consequently, if the foreign representative engages with Singapore clients, and the Foreign Office is used as the booking centre, would the foreign representative be considered as acting on behalf of the Foreign Office; (b) in the case that the only Singapore nexus is the domiciliation of the client (i.e. it is domiciled in Singapore, but the trade is booked outside of Singapore), please could MAS clarify if (in addition to the ask above as to whether this is in scope for Singapore regulations) that representatives dealing with the client's traders would be considered foreign representatives under the Branch Framework. We would submit that this should not be the case, given that the foreign representatives are facing an offshore office of the client and may not have visibility on the booking location; and (c) in the case that a foreign representative is only informed that it is facing a Singapore-based client post trade allocation, would that foreign representative be deemed as carrying out regulated activity under the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"). In addition, we understand that the term "representative" is intended to be limited to representatives based outside of Singapore only. Please could MAS confirm this understanding. **(3) Limitation on number of representatives** We would like to confirm whether there are any restrictions on the number of Singapore representatives (that sit within the Singapore FI) that can act on behalf of the Foreign Office in Singapore. We respectfully submit that there should be no restrictions on this number. Transactions may involve both foreign and Singapore-based personnel. **Question 2. MAS seeks comments on the proposed scope of the Branch Framework.**

S/N	Respondent	Full Responses from Respondent
		ASIFMA has no comments on this question – please our response to question 1. **Question 3. MAS seeks comments on the proposal to amend regulation 32C of the FAR to exempt Foreign Offices in respect of the financial advisory service of issuing or promulgating research analyses or reports concerning any investment product, subject to the same safeguard currently provided for under the regulation.** We are supportive of the proposal to amend regulation 32C. **Question 4. MAS seeks comments on the proposed notification requirement and boundary conditions as set out in paragraph 3.6.** As a preliminary matter, ASIFMA notes that there are no differences between the boundary conditions for Foreign Offices and FRCs. **(1) Notification requirement (paragraph 3.6(i))** We seek MAS' clarification on when an arrangement has commenced. In particular, we note that Footnote 5 defines "commencement" to mean the date the Foreign Office *commences* or *intends to commence* the conduct of the relevant regulated activity under the proposed arrangement – please could MAS confirm that "intends to commence" refers to the date in which the Foreign Office proposes to commence its operations. In addition, please could MAS clarify if arrangements that are already in place (e.g. through the informal "branch to branch" exemption that was granted by MAS on a case by case basis) would similarly need to be notified, and if so, when the "commencement" date of such arrangements would be. **(2) Regulatory status of the Foreign Office (paragraph 3.6(iii)(a))** We note that Foreign Offices that are relying on exemptions in respect of the specific activity under the cross-border arrangement but that are nonetheless licensed, authorised, regulated or supervised in the jurisdiction where they are operating from, will be

S/N	Respondent	Full Responses from Respondent
		allowed to conduct that specific activity under the cross-border arrangement. Please could MAS clarify if the Foreign Office will be allowed to conduct a specific activity under the cross-border arrangement if that specific activity is not currently regulated in the jurisdiction where the Foreign Office is operating from? For example, dealing in OTC derivatives is generally not a regulated activity in Hong Kong and does not require a licence in Hong Kong (aside from certain specific asset classes). It is therefore arguable that Hong Kong offices carrying on dealing in OTC derivatives would not fulfil the requirement in the draft regulations that require them to be "subject to regulatory oversight by a foreign regulatory authority […] **in respect of the activities of its foreign office**" (emphasis added). We would respectfully submit that where a particular activity or product is not subject to specific regulation in a particular jurisdiction, Foreign Offices that are nonetheless licensed, authorised, regulated or supervised in their jurisdiction of operation should be allowed to conduct the specific activity under the cross-border arrangement, especially where high level regulatory principles continue to apply to the Foreign Office. We would submit that the same approach should be taken for FRCs. We have also indicated this in our response to Question 8(a) and 8(b). **(3) Internal controls – record keeping requirements (paragraph 3.6(v)(i))** Paragraph 3.6(v)(i) requires the Singapore FIs to keep records of transactions entered into with or on behalf of customers and copies of contracts or agreements entered into with customers under the arrangement. We submit that requiring the Singapore FI to maintain duplicate records of transactions, contracts or agreements may be superfluous. We request that this requirement be deemed to be met as long as the Singapore FI can retrieve such records via internal systems, or from the Foreign Office / FRC. **(4) Internal controls –representative register (paragraph 3.6(v)(ii))** ASIFMA strongly requests for the removal of the requirement to maintain a representative register, and for this to be substituted with a requirement to maintain a visitor log of Foreign Representatives that visit Singapore, for the following reasons:

S/N	Respondent	Full Responses from Respondent
		(a) as described in the response to Question 1, it is often difficult to identify whether a transaction or even a client may be in scope of the Branch Framework. Even if the Foreign Office or FRC were to comply with the Branch Framework at an entity level, it is extremely difficult in many cases to identify the specific Foreign Representatives that would be or may potentially involved in the cross-border arrangements; (b) a client may be serviced on a team basis which is agnostic to the client's location, for example: (i) Singapore-based clients may be serviced by any available salesperson or subject matter expert on a particular product at any point in time in the Foreign Office; (ii) the salesperson serving the client may use a wider team in the Foreign Office or FRC to support the transaction. Some of these team members may be copied on emails to the client, and may as necessary pick up a client request and address the clients' queries directly (e.g. client wants some changes to a presentation deck and the analyst who supports the client representative clarifies and incorporates the changes in a direct communication with the client); (iii) in DCM or M&A transactions, in addition to offshore product coverage, depending on the sector of the client group a bank may require individuals of an appropriate level of seniority from the relevant sector coverage area (e.g. Healthcare, Natural Resources, Sustainability or Environmental, Consumer Retail etc.). It would not always be clear in advance which members of each coverage area could be providing support on a particular transaction to a Singapore client so the list of these individuals could potentially become unwieldy/impractical. Any representative in that team may therefore potentially deal with a Singapore client, but this is not a given, and may only be on a once-off basis. As such, it would not be feasible or meaningful to include all the representatives who may potentially deal with Singapore clients or who might speak to a Singapore client once or twice.

S/N	Respondent	Full Responses from Respondent
		(c) historically, Paragraph 9 and Paragraph 11 Approvals have only required a visitor log to be maintained. This provides a very clear nexus of who is in-scope and out-of-scope for the purposes of the log, unlike a general register of every Foreign Representative; (d) maintaining a representative register in Singapore is duplicative as the Foreign Offices and FRCs will likely be required by their home regulatory authority to maintain a similar list of representatives in their respective jurisdictions. Further, in some jurisdictions (such as Hong Kong), such registers are readily available on the regulatory authority's websites; (e) given staff movement and changes in portfolios that could occur randomly, and such changes may potentially not be communicated to the local entity promptly and in a timely manner, maintaining such a register would neither be practical nor reflect accurately persons carrying out work on behalf of the Singapore FI. It may also hamper the ability of the Foreign Office / FRC to respond nimbly where movements in personnel are required; (f) in certain jurisdictions (such as Australia), there is no regulatory requirement for representatives to be licensed as such. Accordingly, maintaining such a register would not be a good gauge of whether a person is licensed or not. Overall, ASIFMA members take the position that maintaining the representative register in Singapore will unduly increase the regulatory burden on the Singapore FI due to the operational, time and cost challenge of upkeeping the register on an ongoing basis. We understand the policy concern is to ensure that Foreign Representatives are duly licensed and approved in their home jurisdictions, in connection with ensuring that the Singapore office has internal controls over the arrangement. We would submit that this can be achieved without a register, as the Foreign Office and FRC are licensed and registered. These offices will also maintain full registers of their representatives. The Singapore Office should be able to place reliance on the controls of the Foreign Office / FRC over their representatives generally and to work with the Foreign Office / FRC to address Singapore specific risks or situations (e.g. visits to Singapore). This can be done without having to maintain a specific register of Foreign Representatives by the Singapore office.

S/N	Respondent	Full Responses from Respondent
		In essence, we submit that the better approach is that the Singapore office should work with the Foreign Office and FRC to formulate the written policies and procedures governing the cross-border arrangement (as already required under the Notices) and for the Foreign Office and FRC to take charge of implementing these and ensuring that they are rolled out to the relevant representatives as necessary, rather than trying to identify specific representatives. As such, we strongly request that the requirement to maintain a representative register be removed. In place, we would request that the requirement be revised as such: (a) for the Singapore FI to internally obtain an assurance from its Foreign Office and/or FRC the foreign representatives are licensed or otherwise exempt from such licensing requirements, and for the Singapore FI to work with the Foreign Office and/or FRC on written policies and procedures for cross-border arrangements; (b) for the Singapore FI to, upon request from the MAS, furnish a copy of such registers that are already maintained by the Foreign Office and FRCs; and (c) for the Singapore FI to maintain a visitor log of to keep track of the foreign representatives that visit Singapore. Should MAS be unable to waive this requirement, ASIFMA be grateful for the opportunity to have a further dialogue with the MAS on this point, to address the aforementioned difficulties in maintaining the register. **(5) Internal controls – conducting customer due diligence (paragraph 3.6(v)(iii))** With respect to footnote 11, please could MAS confirm if an internal assessment by the Singapore FI to document the justification and rationale for onboarding a client will be sufficient to meet the expectation that the Singapore FI had ensured "that the policies and procedures in place relating to the conduct of customer due diligence under the Branch Arrangement are at least as stringent as the requirements in the relevant AML Notice."

S/N	Respondent	Full Responses from Respondent
		(6) Internal controls - marketing and solicitation by the Foreign Office and its representatives (paragraph 3.6(v)(v)) We would be grateful if the MAS could provide additional guidance on the policies and procedures expected with respect to marketing and solicitation of customers in Singapore by the Foreign Office and its representatives. We note that the MAS had, in paragraph 7.19 of the Response to Feedback Received - Proposed Revisions to the Exemption Framework for Cross-Border Business Arrangements of Capital Markets Intermediaries (5 June 2020) ("**Response**"), provided examples that such policies and procedures could include (e.g. having country-specific guidelines on the specific types of information that can be provided to prospects, requiring marketing materials used by foreign representatives to be approved by the local compliance, and physical chaperoning). From a practical perspective, please could MAS confirm that this requirement will be met if marketing materials are in compliance with marketing materials policies established in conjunction with local compliance, and that specific approval of all marketing by the Singapore compliance team is not required. Similar guidance with respect to the treatment of Foreign Office and its representatives would be appreciated. In addition, we note that there are no specific restrictions imposed on the foreign representatives when such representatives visit Singapore, (including requirements for physical chaperoning with a locally licensed representative), and would like to clarify if MAS would require or expect such restrictions to put in place under the policies or procedures. While physical chaperoning may be a good measure to ensure oversight, it may not always be practical/possible for locally licensed representatives to physically chaperon foreign representatives to all client engagements. Further, since a temporary representative does not need to be chaperoned by a locally licensed representative when dealing with non-retail clients (regulation 3A(5)(c) and (7) of the Securities and Futures (Licensing and Conduct of Business) Regulations does not currently require this), we would expect that a foreign representative should similarly not be required to comply with restrictions that would otherwise not be imposed when that foreign representative is registered as a temporary representative to service the same group of customers. **(7) Audit certification and annual reporting requirements (paragraph 3.6(vi))**

S/N	Respondent	Full Responses from Respondent
		Please could MAS confirm that, for the purposes of paragraph 3.6(vi) and footnote 12, an internal audit function is considered an Independent Assurance function for the purpose of certification of the boundary conditions. In addition, some Singapore FIs have highlighted that their audit cycles may not be on an annual basis as these internal audit functions may be covered by the Foreign Office (e.g. head office). Accordingly, please could MAS consider extending the certification requirement for low-risk arrangements to be as per the FI's internal audit cycle? **Question 5. MAS seeks comments on extending the proposed Branch Framework to Existing OTCD Branch Arrangements.** ASIFMA has no comments on this question. **Question 6. MAS seeks comments on the transition period of six months to comply with the proposed boundary conditions and submit notifications to MAS for Existing OTCD Branch Arrangements.** Please see our comments under "Any other comments" ((4) Transitional Periods) that would apply equally to this question. **Question 7(a): MAS seeks comments on the proposed Annex A1.** **(1) Accredited Investor ("AI") opt-in requirements** With respect to the AI opt-in requirements, please could MAS clarify if: (a) the AI opt-in requirements do not apply to the regulations promulgated under the SFA and only to those under the Financial Advisers Act, Chapter 110 of Singapore ("**FAA**"); (b) in the case that the AI opt-in requirements apply to regulated activities both under the SFA and FAA, whether the consent provisions under the existing opt-in framework will be impacted;

S/N	Respondent	Full Responses from Respondent
		(c) whether Foreign Offices can rely on the AI opt-in obtained by the Singapore FI. We would also like to confirm that (i) an existing AI opt-in (for instance, obtained before the cross border arrangement has been put in place), would continue to be valid (unless withdrawn) and (ii) further that FIs are not required to make specific disclosures in respect of the cross-border arrangements when obtaining the opt-in. (d) whether the permissible clientele boundary conditions do not apply to corporate finance advisory arrangements and transactions where the AI opt-in is not relevant or relied on (for example, in transactions involving investment banking clients such as issuers and sellers of securities in block trades, private placements, initial public offerings, M&A advisory transactions, rights issues and other offerings). **(2) Notification timeline** We note the requirement to notify MAS within 14 days of changes to the cross-border arrangements. Nonetheless, we would like to respectfully request MAS to consider allowing a longer timeline as such changes effected overseas might require more time to be channelled to Singapore. This may further be impacted by public holidays. We would therefore be grateful if the MAS could consider extending the notification timeline to 15 business days (i.e. 3 weeks), rather than 14 calendar days. **(3) Conflicts of interest – Section 4.1** It appears that the difference between both options is whether the Singapore FI foresees any conflicts of interest to arise from the Arrangement. As it may be too premature to determine with certainty at the point of commencement whether there will be conflicts of interests that may arise, we submit that a sensible approach to this would be to simplify the declaration to whether the Singapore FI is aware of any conflicts of interests at the point of commencement and if yes, the measures that are in place to address the conflicts of interests. Any subsequent changes to this declaration would then be reported as a change of particulars, using the form in Annex A2.

S/N	Respondent	Full Responses from Respondent
		(4) Execution requirements – Section 6 We note that this form must be executed or signed by a Director of the Singapore FI. Singapore branches of foreign incorporated banks do not have "directors" per se. As such, we strongly submit that some flexibility be built into the form, to allow the form to be signed off by other senior officers or delegated persons in the Singapore FI, e.g. the CEO of the Singapore branch, Head of Treasury or an equivalent senior executive officer instead. **(5) Naming of arrangements – Annex A(1)** Please could MAS provide guidance on how the arrangements should be named for the purposes of the Forms. In particular, in the following scenarios: (a) where the arrangement relates to a single FRC, which is part of an arrangement with multiple Singapore FIs (which may either be licensed or operating under the licensing exemption); (b) where the arrangement relates to a group arrangement with multiple FRCs and multiple Singapore FIs (which may either be licensed or operating under the licensing exemption). **(6) Process chain information – Annex A(3)** We request for more flexibility in the options available here as there may be arrangements where the process in the process chain is provided by neither the Singapore FI and the Foreign Office or FRC. For example, for fund managers which manage segregated mandates for institutional clients, the custodian is typically appointed by the institutional client. Therefore, to avoid such fund managers from being constrained by the false dichotomy, we submit that a "N/A" checkbox be included, or for the form to allow for neither option to be selected. Please could MAS also clarify the level of detail required in this section, and its rationale for requiring such information to be provided. Some FIs are concerned that these processes may be back-office arrangements (e.g. trade confirmation and trade

S/N	Respondent	Full Responses from Respondent
		settlement) that may already have been notified to the MAS under the existing regulations (e.g. the Outsourcing framework). As such, there is a concern that this would result in double- reporting to the MAS. Instead, we submit that only function that are regulated activities in Singapore should be subject to the notification requirements. In addition, fund managers (that rely on the licensing exemption in paragraph 2(1)(a) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations to deal in capital markets products that are units in a collective investment scheme which are managed by its related corporations) should not be required to furnish information in this Annex with respect to such dealing. In addition, we would be grateful if MAS could clarify the extent of involvement required by the Singapore FI in the cross-border arrangement, in particular, whether the Singapore FI is required to play a substantive role in the proposed cross-border arrangement. For example, we note in Table 1, Appendix I of the MAS Guidelines on Applications for Approval of Arrangements under Paragraph 9 of the Third Schedule to the Securities and Futures Act [SFA 04-G03], that arrangements where the entire process chain is carried out by the foreign entity will not be approved by MAS under the existing FRC framework. There does not appear to be a similar requirement under the proposed frameworks. We would respectfully submit that, provided the Singapore FI complies with the requirements under the draft Notices to establish the required internal controls, this should be a sufficient minimum level of involvement by the Singapore FI. **Question 7(b): MAS seeks comments on the proposed Annex A2.** **(1) Scope of Annex A2** We understand that the notification in Annex A2 relate to specified changes in particulars to previously notified arrangements. Please could MAS clarify that this is the complete list of changes that must be notified to the MAS, as we note that there are other changes listed in paragraph 3.6 of the Consultation Paper that are not specified in this Annex A2. **(2) Notification timeline**

S/N	Respondent	Full Responses from Respondent
		Our comments in Question 7(a)(2) will apply. **(3) Conflicts of interest – Section 6.3** Our comments in Question 7(a)(3) will apply. In addition, since Annex A2 is intended to notify the MAS of any changes in particulars to the cross-border arrangements, we propose to simplify this question to require any changes in the conflicts of interests declaration provided in Annex A1 at the point of commencement of the arrangements. **(4) Execution requirements – Section 2** Our comments in Question 7(a)(4) will apply. **(5) Naming of arrangements – Annex A(1)** Our comments in Question 7(a)(5) will apply. **(6) Addition/cessation of regulated activities – Annex A(4)** Please could MAS provide further guidance on the difference between the second column (Addition/Cessation of Regulated Activity/Activities under the Arrangement) and the third column (Regulated Activity/Activities Added/Ceased under the Arrangement) **Question 7(c): MAS seeks comments on the proposed Annex A3.** As a preliminary matter, please could MAS clarify if the objective of the annual declaration is to certify adherence to the requirements under the SFA and FAA and the related regulations, in particular with respect to the notification framework, boundary conditions and internal control arrangements.

S/N	Respondent	Full Responses from Respondent
		(1) Notification timeline Our comments in Question 7(a)(2) will apply. **(2) Execution requirements – Section 4.1** Our comments in Question 7(a)(4) will apply. **(3) Naming of arrangements – Annex A(1)** Our comments in Question 7(a)(5) will apply. **(4) "Financial year end" – Annex A** Please could MAS confirm that the representatives to be declared in Question 1.1, 1.2 and 2 of Annex A refer to the representatives who are carrying out regulated activities under the cross-border arrangement as at the financial year end. Please also see our comments under Question 1(B)(2) on which representatives should be considered to be involved in the cross-border arrangement. **(5) General reporting requirements – Annex A** To streamline the yearly reporting requirements, we propose providing the data on a consolidated basis for all the approved arrangements which would better facilitate a holistic overview of the regulated activities carried out by Singapore FI vis-à-vis all the FRCs or Foreign Offices. **(6) "Representatives" – Annex A(1.1, 1.2, 2)**

S/N	Respondent	Full Responses from Respondent
		Please see our comments under Question 1(B)(2). Given that the regulated activities under the SFA are generally carried out on a team basis and are client location agnostic, it would not be feasible to maintain a register or count of foreign representatives who do not visit Singapore under the arrangement. If the total number of representatives for each foreign desk that may cover Singapore based clients under the arrangement is included, the comparison vis-à-vis the number of local representatives would be misleading. Further, representatives are typically organized by main business lines/desks (i.e. equity and fixed income) rather than by the type of regulated activity. The product scope of each business line/desk and its representative would include a few capital market products, e.g. an equity salesperson will typically cover shares, futures, equity swaps, ETF. Under the proposed template, such individual would be counted across 4 types of capital markets products. We propose that the breakdown of representatives be done by broad business lines instead. In addition, please could MAS provide further guidance in the instance where a Singapore FI enters into an arrangement with a Foreign Office such that a client is served jointly by the representatives from both sides – should the revenue generated be apportioned, and if so, what would the approach to apportionment be. **(7) Revenue/AUM declaration – Annex A(3)** We strongly submit that the requirement to declare revenue obtained from the cross-border arrangement be removed as this is practically unfeasible, and would not provide an accurate picture of the importance of the arrangement to the MAS. First, such businesses are typically bundled together through a transfer pricing model where revenue is pooled is pooled by region/business line and allocated to the respective affiliates within the group including Singapore legal entities based on various perimeters such as contributions to risk capitals and compensations of front office etc, as determined by tax. As such, internally, the FIs may not be able to provide a breakdown of the revenue/AUM as required by the MAS. Second, these cross-border arrangements are usually part of group arrangements to provide holistic services and client access to various markets. The revenue may not be directly attributable to the number of clients. In addition, some Singapore FIs are neither client-facing nor risk-taking and therefore not generating revenue per se, but are still integral to the process chain. Therefore, the

S/N	Respondent	Full Responses from Respondent
		use of revenue to assess the importance/substance of the Singapore Entities vis-à-vis FRCs / Foreign Offices may not provide an accurate picture to the MAS. Third, revenue is typically organised by business line or desks (e.g. equity and fixed income) rather than by the type of regulated activity. The product scope of each business line/desk and its representative would include a few capital market products. i.e. an equity salesperson will typically cover shares, futures, equity swaps, ETF. Under the proposed template, such revenue streams would be counted across 4 types of capital markets products, which would not present an accurate picture of the revenue generated. If the MAS is unable to agree to the deletion of the requirement entirely, we submit that the declaration should be for revenue obtained from the arrangement as a whole, i.e. without splitting (a) between the FRC or Foreign Office and the Singapore FI; and (b) among the different regulated activities. Separately, pleas clarify if the amount of AUM reported be net of encumbrances. **(8) "Customers" – Annex A(3)** Please could MAS provide further guidance on the following points: (a) how customers with multiple accounts (e.g. a wealth management client that has multiple accounts set up in family members, trusts, or companies) should be accounted for; (b) how joint accounts should be accounted for; (c) the scope of "acting as retainer" with respect to a corporate company advising on corporate finance. In addition, we note that in counting the number of customers, the Singapore FI should only include customers who have made at least one transaction during the company's financial year end. In the event that internal data and systems do not allow the Singapore FI to easily identify whether clients have done a transaction in a particular product during the financial year, we submit that the reporting be based on whether clients are allowed to perform the transaction in the particular products (e.g. clients who have

S/N	Respondent	Full Responses from Respondent
		passed the necessary eligibility and suitability checks and have accounts opened to trade the particular products), regardless of whether an actual transaction has been made. Separately, some FIs are concerned that the definition of "customer" would be widened to include any customer that the Foreign Office services (since Foreign Offices would, under this proposal be considered as the same legal entity as the Singapore FI). Please could MAS clarify if the scope of "customers" under this proposal (and any other regulatory reporting requirement on customers, such as SFR Form 28) will only include arrangements where the customer is booked with or serviced by the Singapore FI (assuming that all customer contracts are signed globally with the foreign head office) regardless or customer domiciliation, or only for Singapore domiciled customers? **Question 7(d): MAS seeks comments on the submission timeline for the proposed Branch Framework and notified FRC Framework.** Please could MAS confirm that the first reporting of Annex A3 for an existing FRC Arrangement is intended to be May 2023, for the reporting period Jan-Dec 2022, after the 6-month transition period ends on 8 Apr 2022. Similarly, for an arrangement that FIs may enter into under the proposed Branch Framework, please could confirm that the first reporting will be due in May 2023, for the reporting period Jan-Dec 2022, notwithstanding that the arrangement may be entered into before Dec 2021? **Question 8(a). MAS seeks comments on the draft Regulations and Notices in Annexes B1 to B4.** **(1) Regulatory status of the Foreign Office – Annex B1** Our comments in Question 4(2) will apply. **(2) Obligation to maintain information on the qualification and licensing status of foreign representatives – paragraph 5.2.2(b) of Annex B3**

S/N	Respondent	Full Responses from Respondent
		Please see generally our comments at Question 4(4). We understand from paragraph 7.10 of the Response that MAS will not require information on the foreign representatives' qualifications and licenses to be maintained in the register. This is consistent with paragraph 5.2.2(b) of the draft notice in Annex B3. We also understand that the Singapore FI can rely on the FRC to maintain this information, although the responsibility for ensuring that the information is maintained lies with the Singapore FI. Given that this obligation is not mentioned in the draft Notices, we would be grateful for MAS' confirmation that it would no longer impose this obligation on the Singapore FI under both the Branch Framework and the FRC Framework. **(3) Maintenance of register outside of Singapore – paragraph 5.2.2(b) of Annex B3** Please see generally our comments at Question 4(4). We would like to clarify if the information on the foreign representative must be maintained in a single register, or whether it would suffice if the required information exists, in one form or other, and is retrievable upon request. In particular, we would submit that it is more reasonable and practical for the Singapore Entity to rely on the FRC to maintain such information as long as the Singapore Entity has access to such records. We note that this is the position in paragraph 7.10 of the Response. With increasing global scrutiny on cross border interactions, most large FIs already have in place policies and procedures to monitor travel plans of global employees. These visits would likely be electronically tracked in a system where data of every visit (including total duration spent by a representative in a country) could be easily retrieved. It would seem duplicative to maintain another register of such visits made by the foreign representative to fulfil the regulatory requirement. **Question 8(b). MAS seeks comments on the draft Regulations and Notices in Annexes C1 to C4.**

S/N	Respondent	Full Responses from Respondent
		(1) Regulatory status of the Foreign Office – Annex C1 Our comments in Question 4(2) will apply. **(2) Notification of existing cross-border arrangement - Paragraph 4.2 of Annex C3** We request that, in relation to notifications relating to existing cross-border arrangements, only the relevant form *without* the corresponding Annex needs to be submitted to MAS. This is because these are existing arrangements that had already previously obtained approval by the MAS, and we submit that it would not be necessary for the information to be submitted again. **(3) Obligation to maintain information on the qualification and licensing status of foreign representatives – paragraph 5.2.1(b) of Annex C3** Please see generally our comments at Question 4(4). We understand from paragraph 7.10 of the Response that MAS will not require information on the foreign representatives' qualifications and licenses to be maintained in the register. This is consistent with paragraph 5.2.1(b) of the draft notice in Annex C3. We also understand that the Singapore FI can rely on the FRC to maintain this information, although the responsibility for ensuring that the information is maintained lies with the Singapore FI. Given that this obligation is not mentioned in the draft notices, we would be grateful for MAS' confirmation that it would no longer impose this obligation on the Singapore FI under both the Branch Framework and the FRC Framework. **Question 8(c). MAS seeks comments on the proposed amendments to regulation 32C of the FAR in Annex D.** **(1) Reg 32C(5)(a) of the FAR**

S/N	Respondent	Full Responses from Respondent
		Please could MAS clarify the regulatory treatment of a Foreign Office under this regulation 32C(5)(a) in the case that the Foreign Office is or intends to conduct a specific activity under the cross-border arrangement if that specific activity is not currently regulated in the jurisdiction where the Foreign Office is operating from (please see our query at Question 4(2)). **(2) Reg 32C(5)(b)(ii) of the FAR** We understand the requirement for the analyses or report to contain a statement to the effect that the licensed financial adviser or specified exempt financial adviser accepts legal responsibility for the contents of the analysis. **Other comments** **(1) Harmonisation of FRC Framework and Branch Framework** We note that there is a high degree of harmonisation between the two frameworks and are very supportive of this, as this is important to ensure that there is no regulatory arbitrage between the two regimes. In particular, we are highly supportive of harmonisation in the following regards: (a) **Start date** – we are supportive of the proposal that the frameworks be operationalised on the same date; (b) **List of exemptions** – we are supportive of the proposal to harmonise the exemptions in regulations 3 of Annex B1 and Annex C1 such that the exemptions apply equally to FRCs and Foreign Offices operating under the cross-border arrangement. **(2) Grandfathering arrangements** Given that existing approved Arrangements went through a rigorous review process where a formal application was submitted and thoroughly reviewed by MAS, we respectfully request for a grandfathering of all the existing approved Arrangements with respect to the proposed notification requirements on an ongoing basis. Many of the proposed notification requirements are already captured within the approval conditions where MAS has to be notified in case of any material changes to the approved Arrangement

S/N	Respondent	Full Responses from Respondent
		and an independent auditor has to confirm that the FI has processes for such notifications to the MAS. Further, some of such Arrangements have been existing for a long time with processes deeply entrenched (or automated) within the financial institution. Much resources will have to be invested to implement the notification process under this proposal. **(3) Equivalence recognition of examination requirements** We strongly submit that MAS recognises equivalent examinations taken by foreign representatives in their home jurisdictions, as there are high operational costs involved in flying in these foreign representatives to Singapore to sit for the CMFAS examinations. In addition, in light of the continued travel restrictions, it would not be possible for these foreign representatives to fly into Singapore to sit for the CMFAS examinations in the near future. We therefore request for flexibility from the MAS with regard to the CMFAS examination requirements. **(4) Transitional period** ASIFMA understands that MAS intends to implement the proposed Branch Framework on 9 October 2021. ASIFMA requests that sufficient time be given to FIs between MAS' response to the consultation and the effective date of the legislative changes, so that FIs can consider any further changes that may be necessary to its processes required following MAS' response (including distribution of information and changing of its global policies to meet the finalised requirements). These changes can require multiple rounds of discussion and multiple layers of approval (particularly where they concern the Foreign Offices or FRCs). Therefore, please could MAS consider extending the transition period for existing arrangements to 9 October 2022. **(5) Best efforts basis** ASIFMA also notes that the new reporting requirements (particularly the annual declaration) require institutions to collect and provide a large amount of addition information. As can be seen from the responses above, there are residual areas of uncertainty, especially for computation of number of customers, identification of representatives and transaction amounts. Given that this also involves Foreign Offices or FRCs, it would require new policies and systems to be established across multiple offices to capture and

S/N	Respondent	Full Responses from Respondent
		record this information. Institutions will therefore require time to implement the policies and to work out implementation issues with Foreign Offices and FRCs. Where there are a large number of different offices involved, this would require considerable work and coordination, and there would very likely be initial teething problems, where information may be missed or not captured. The Singapore office may not also always be in a position to completely check or verify the accuracy of numbers provided by a Foreign Office and FRC. ASIFMA members are concerned that, as these requirements are encapsulated in Notices, there are serious penalties attached (including the possibility of incarceration) where information is false or misleading, and that a specific declaration has been included on this point within the notification forms. ASIFMA members would like to request that that MAS allow financial institutions time to adjust to the new requirements, and waive penalties for situations where financial institutions can demonstrate that they are using best efforts to obtain the documents and information required.
3.	Investment Management Association of Singapore	**Question 7(a): MAS seeks comments on the proposed Annex A1.** • Given that the existing approved P9/11 arrangements went through a rigorous review process where formal application with detailed information in respect of such approved arrangements was previously submitted and reviewed by the MAS, we seek the Authority's consideration to grandfather all the existing approved P9/11 arrangements from the proposed notification requirements. • We refer to section 4 in Annex A1 requiring information around assessment and declaration of conflicts of interests. While it is noted that similar requirement is present in the current Guidelines on Applications for Approval of Arrangements under Paragraph 9 of the Third Schedule of the Securities and Futures Act, we would like to enquire if the MAS could provide some insights or illustrative examples of the type of conflicts MAS is envisaging between the FRC and the Singapore financial institution. For Annex A1, we would like to suggest that MAS consider issuing FAQs to provide clarification on the below:

S/N	Respondent	Full Responses from Respondent
		• Required notice to be filed with MAS for existing approved arrangements on or before 8 Apr 2022: Can MAS clarify for the filing to be done for existing arrangements when new regime takes effect, for date of commencement of arrangement, do we specify the date of commencement of this new regime or the MAS' approval date for the existing approved arrangement? Can MAS also clarify that for FRCs approved for similar para 9/11 arrangement with different approval dates, licensee just need to submit a single filing for all existing FRCs approved for similar arrangement? • Could MAS provide guidance in terms of level of details required for "name of arrangement/ business unit conducting the arrangement" section indicated in the proposed initial notification form? **Question 7(b): MAS seeks comments on the proposed Annex A2.** • We seek the Authority's confirmation if Annex A2 is a complete list of changes required for notification to the MAS. We noted that not all changes listed in para 3.6 of the MAS consultation paper is found in Annex A2 (e.g. changes in regulatory status of FRC and reps, change in clientele). For Annex A2, we would like to suggest that MAS consider issuing FAQs to provide clarification on the below: • Can MAS clarify for additional FRC(s) to be added to existing cross-border arrangement, licensees to file notice of change and for 6.2, licensees only need to provide shareholding chart showing the Singapore entity and the additional FRC(s) (instead of all FRCs)? • Can MAS clarify under what circumstances do we need to file notice of change for 1) revised shareholding chart or 2) process chain? Under the existing regime, the scope of reporting only covers material changes, e.g. change in shareholding such that FRC will no longer be a related corporation; reduction/ substantial change in Singapore licensee's role in the approved arrangement. Can MAS consider limiting change notification to material changes only, i.e. when FRC is no longer a related corporation, when there is substantial reduction in the role of Singapore licensee in the arrangement?

S/N	Respondent	Full Responses from Respondent
		• Can MAS clarify whether changes in licensing/ regulatory status of FRC is reportable to the MAS? Whether a Notice of change is to be filed for this and if yes, under what section of the form do we include the details? **Question 7(c): MAS seeks comments on the proposed Annex A3.** • We respectfully request that the Authority consider removing the requirement to declare revenue/AUM and provide a breakdown of the revenue/AUM arising from the cross-border arrangements as it would be highly challenging to do so. • Under Annex A 1.1, 1.2, 2: Number of representatives carrying out regulated activities under the Arrangement, we would like MAS to consider removing the need to include "total number of representatives" from 1.1 and 1.2 as details of total number of representatives of Singapore entity and FRCs for respective regulated activities are already covered in Section 2 of Annex A. For Annex 3, we would like to suggest that MAS consider issuing FAQs to provide clarification on the below: • Annex A 1.2: Noted in the footnote that customers refer to those who have made at least 1 transaction during the financial year for all regulated activities. For fund management regulated activity, we would like to check whether the scope of reporting for this section only include clients who have either executed a new investment management mandate or made new subscription in collective investment schemes in the reporting financial year? Hence for FMCs with no new mandate/ new fund subscription executed in the reporting financial year, there is no need to include details of existing customers (with existing mandate), corresponding number of FRC' representatives and corresponding revenue in this section? There is also no need for us to include customers which have capital calls done in the reporting year based on previous committed investment amount for a fund investment? • Annex A 1.1: to clarify whether the scope for reported revenue only includes new transactions executed in reporting financial year (similar to 1.2) or include existing transactions of all existing customers under the arrangement?

S/N	Respondent	Full Responses from Respondent
		• Annex A 3.2: to clarify whether we need to report separately for each FRC or collectively for all FRCs under a similar arrangement? Suggest MAS to consider reporting on consolidated basis for all FRCs. **Question 7(d): MAS seeks comments on the submission timeline for the proposed Branch Framework and notified FRC Framework.** • We would like to suggest at least a 1-year transition period for implementation of the annual filing for Annex A3 as this is a new annual reporting requirement introduced under the new proposed regime. **Question 8(a). MAS seeks comments on the draft Regulations and Notices in Annexes B1 to B4.** • Annex B2, Para 2 – We note that AI opt-in for cross border arrangement under the FAA is required but it is silent for such arrangement under the SFA. We seek the Authority's clarification if AI opt-in is required for cross border arrangement under the SFA. • Annexes B3/B4, Para 4.2 – Please refer to our comments about grandfathering as provided in response to Q7(a) on proposed Annex A1. • Annexes B3/B4, Para 5.2.2/5.1.2 - We seek the Authority's clarification if there is any specified record retention period. • Annexes B3/B4, Para 5.2.2/5.1.2 (b)(iii) - We seek the Authority's guidance on what "details/descriptions of activities" are expected to be maintained in this register. **Other comments** For question 8: Institutional Investors (IIs) exemption – We noted that there are statutory exemptions under the SFA/FAA when dealing/advising IIs (e.g. Schedule 2 of SF(LCB) Reg that provides exemption for dealing in CMS that are units in CIS for a customer

S/N	Respondent	Full Responses from Respondent
		who is an II; and Reg 32B of the FAR provides exemption for advising IIs and related corporation). We seek the Authority's confirmation that the relevant statutory II exemption under the SFA/FAA can be relied upon by the FRCs when dealing with/advising IIs instead of relying on the exemption framework for the cross-border arrangement.
4.	Respondent A	**Question 1. MAS seeks comments on the introduction of the proposed Branch Framework, as set out in section 3.** We welcome such a move to create a level playing field for "Branch Arrangement" as compared with the "FRC Arrangement" by leveraging the foreign office's global network and capabilities to better service customers in Singapore and strengthen the position of Singapore as a global financial centre. This will provide diversity in products that foreign offices can offer which will contribute to the financial ecosystem in Singapore. **Question 3. MAS seeks comments on the proposal to amend regulation 32C of the FAR to exempt Foreign Offices in respect of the financial advisory service of issuing or promulgating research analyses or reports concerning any investment product, subject to the same safeguard currently provided for under the regulation.** With the ability to promulgate research reports or analysis this will allow potential institutional investors to have a better understanding of the foreign investments especially from the home country's perspective. **Question 4. MAS seeks comments on the proposed notification requirement and boundary conditions as set out in paragraph 3.6.** Q1) For the requirement of "Internal Control Over the Arrangement… (iv) maintaining or having access to all records kept overseas by the Foreign Offices that relate to the arrangements, and providing MAS with timely access to these records…" Singapore FI will be able to provide MAS with timely access to whatever records kept locally. On the other hand, the Singapore FI and its Foreign Office would probably need to receive permission from the foreign regulatory authority before providing its confidential client records to MAS. Q2) In relation to the boundary conditions:

S/N	Respondent	Full Responses from Respondent
		a) Will it be required for the representative of the Foreign Office to also be licensed under SFA / FAA as representatives? (as under the FRC Arrangement, this would not be required). We would suggest to exempt foreign office representatives from the local licensing requirements, especially with a robust internal control system in place, the expertise and the knowledge of the Singapore representative is sufficient to assure that the whole client servicing process will be compliant with local regulations. Moreover, the products/service will be mainly provided under the foreign jurisdiction in a foreign market, the Foreign Office and its representatives are already being regulated, licenced or supervised by the foreign regulatory authority. Furthermore, this exemption is consistent with the requirements under the FRC Arrangement. b) If the above (a) is "No": • Is it required that the representative of the Foreign Office solicit clients in Singapore through or with representatives of the Singapore Office licensed under SFA / FAA? • Will there be requirements to assess and document the qualifications in relation to the representatives of the Foreign Office? **Question 7(a): MAS seeks comments on the proposed Annex A1.** In relation to the "director" who is making the various declarations (Annex A1-A3), who would this refer to for a Foreign Branch in Singapore which does not have local directors. **Question 7(c): MAS seeks comments on the proposed Annex A3.** In relation to Annex A3 "Certification by an independent assurance function on compliance with the boundary conditions ": It appears that the certification can be supplied by the in-house internal auditor; would MAS prescribe the language for the opinion? **Question 8(b). MAS seeks comments on the draft Regulations and Notices in Annexes C1 to C4**

S/N	Respondent	Full Responses from Respondent
		For Appendix C1, Para 4, exemption of foreign representatives, would like to confirm this clause applies to foreign office representatives under the Branch Arrangement, similar to the case of FRC Arrangement.

(II) PROPOSED AML NOTICES FOR CROSS-BORDER BUSINESS ARRANGEMENTS OF CAPITAL MARKETS INTERMEDIARIES UNDER PROPOSED EXEMPTION FRAMEWORKS

Note: The table below only includes submissions for which respondents did not request confidentiality.

S/N	Respondent	Full Responses from Respondent
1.	Asia Securities Industry & Financial Markets Association	**Question. MAS seeks comments on the draft Notices in Annexes A1 to A4.** **(1) Internal Policies** (a) Compliance with FATF requirements We note that paragraph 4.1 generally requires the Specified Regulated Entity to ensure that there are adequate internal policies, procedures and controls to ensure that the performance of CDD measures by the FRC or foreign office (as the case may be) to prevent money laundering and the financing of terrorism "is consistent with the requirements set out under the relevant AML/CFT Notice applicable to the Specified Regulated Entity", in respect of customers of the FRC or foreign office (as the case may be). This is not the same test applied in regulation 5(b) of the respective draft Regulations (defined below), which provides that the exemption in regulation 3 of the respective draft Regulations will apply if, inter alia, the FRC or foreign office is subject to AML/CFT requirements in the foreign jurisdiction that are consistent with the standards set by FATF. We respectfully submit for the requirement in the draft Notice to be to be aligned with the standard under regulation 5(b) for the following reasons: (i) Most jurisdictions are FATF member countries that are required to meet FATF standards. Although these standards would be broadly aligned, there may be variances in local implementation.

S/N	Respondent	Full Responses from Respondent
		(ii) Further, most FRCs and foreign offices are required to comply with their parent company group's or head office's AML/CFT policies along with their own local AML/CFT requirements (if operating or incorporated in a jurisdiction which is different from that of its head office or parent company) when performing CDD. The added requirement to comply with Notice requirements will increase the operational challenge for performance of CDD in the case where foreign office(s) or FRC(s) are dealing with Singapore based customers under the proposed Branch Framework and notified FRC framework. Under the current proposal, the FRC or foreign office would need to conduct a gap analysis on its AML/CFT policies against the MAS Notices, both at the outset and every time there is an update to the MAS Notice or the FRC or foreign office's own policies. To address any gaps, the FRCs or foreign office would need to conduct a separate AML/KYC process with regards to Singapore customers. This would not be operationally possible for most FRCs or foreign offices. (iii) We would respectfully submit requiring AML/CFT checks to be done in accordance with FATF standards would address the policy concern about the robustness of AML/CFT requirements. We further note that this would be consistent with the approach taken in existing MAS AML/CFT Notices around reliance and simplified customer due diligence, where Singapore financial institutions ("**FIs**") are (i) not required to inquire about beneficial ownership when dealing with financial institutions established outside Singapore which are subject to and supervised for compliance with FATF consistent standards (for example, paragraphs 6.16(f) and 6.16(g)(i) of MAS Notice 626) and (ii) may rely on third parties to perform AML/CFT where the third party is subject to and supervised for compliance with AML/CFT consistent with FATF standards (for example, paragraphs 9.1(b) and 9.2(a) of MAS Notice 626). We submit that in a cross-border situation, a Singapore FI is similarly relying on the FRC or foreign office to perform the AML/KYC, and the same standard should be applied. (iv) Aligning these requirements will help Singapore FIs better comply with the requirements in the Notices as the Singapore FIs can corroborate their assessment with the mutual evaluation reports of the jurisdictions of the FRCs or foreign offices involved in the cross-border arrangements (as the case may be). This will also help the FIs achieve consistency across their customers generally. Therefore, please could MAS consider that so long as the head office of a foreign office or parent company of a FRC is incorporated in a FATF compliant country, performance of CDD measures by the foreign office or FRC in line FATF standards in respect of

S/N	Respondent	Full Responses from Respondent
		Singapore based customers of the foreign office or FRC under the proposed Branch Framework and notified FRC framework respective will satisfy the requirements in the draft Notices. Please also see sub-paragraph (2) (Scope of Notices) below. "**Regulations**" refer to the following: (i) draft Securities and Futures (Exemption from Requirements) (Cross-Border Arrangements) (Foreign Offices) Regulations; (ii) draft Financial Advisers (Exemption from Requirements) (Cross-Border Arrangements) (Foreign Offices) Regulations; (iii) draft Securities and Futures (Exemption From Requirements) (Cross-Border Arrangements) (Foreign Related Corporations) Regulations; and (iv) draft Financial Advisers (Exemption From Requirements) (Cross-Border Arrangements) (Foreign Related Corporations) Regulations. (b) Internal policies and procedures at least as stringent as the requirements in the Notices Footnote 2 on Page 5 of the Consultation Paper states that: *"Where the customers of the FRC or Foreign Office are also considered customers of the Singapore FI, as defined in the relevant AML Notice, the Notice requirements would apply. Where the FRC/Foreign Office's customers are not customers of the Singapore FI, the Singapore FI will still be required to ensure that the policies and procedures in place relating to the conduct of customer due diligence under the FRC/Branch Arrangement are at least as stringent as the requirements in the relevant AML Notice."* We would be grateful if MAS could issue interpretive guidance on "*policies and procedures….at least as stringent as the requirements in the relevant AML Notice*".

S/N	Respondent	Full Responses from Respondent
		We further propose that such policies and procedures of FRCs or foreign offices in FATF jurisdictions be deemed "equivalent" to those in the relevant Notices, for the reasons set out above under sub-paragraph (1)(a) (Compliance with FATF requirements) of our response to this question, as well as the following reasons: (i) regulators/authorities from FATF jurisdictions have committed to comply with the FATF Recommendations and undergo peer mutual evaluations / follow-up reviews to have their regimes continually assessed against the FATF Recommendations. Therefore, the requirements should be sufficiently stringent to address MAS' concerns; and (ii) given the enhancement of the Wolfsberg questionnaire in recent years, it is further submitted that satisfactory responses to the Wolfsberg questionnaire by regulated customers, alongside local AML KYC, will suffice to meet the "as stringent as" requirements., i.e. there is no need to extend Singapore KYC requirements to Singapore regulated entities facing an FRC or foreign office with no other Singapore touchpoints if they satisfactorily complete the Wolfsberg questionnaire. **(2) Scope of Notices** (a) Non-Singapore booked accounts managed by MAS-licensed representatives offshore Accounts that are neither booked in or managed in Singapore would typically be subject to offshore regulatory requirements (i.e. the CDD requirements in the jurisdiction that the accounts are booked in or managed in would apply). Please could MAS clarify if its intention is for the AML/CFT standards articulated in the proposed MAS Notices to apply to such accounts as well? In addition, in the case that MAS accepts our feedback in sub-paragraph (1)(a), please could MAS clarify if the Specified Regulated Entity is required to set out internal policies, procedures and controls to monitor the FRC and foreign office's compliance with FATF standards in relation to such accounts. (b) FRCs or foreign offices relying on licensing exemptions in the Second Schedule of Securities and Futures (Licensing & Conduct of Business) Regulations ("SFR")

S/N	Respondent	Full Responses from Respondent
		Foreign offices or FRCs could have invoked the licensing exemptions as prescribed under SFR for conducting regulated activities in Singapore provided that the stated conditions have been met. An example is the 'bond dealing exemption' in paragraph 2(e) of the Second Schedule to the SFR which does not prescribe similar AML/CFT requirements as under the Notice for entities that are relying on the licensing exemptions in the Second Schedule to the SFR. However, the AML/CFT requirements in the draft Notices will need to be complied with under the proposed Branch Framework and the notified FRC framework. In light of the fact that the Singapore FI is likely to apply the proposed exemption frameworks for cross-border business arrangement for conducting regulated activities related to OTC derivatives, it appears that there is an uneven playing ground between the proposed exemption frameworks as compared with existing exemptions granted under the Second Schedule of SFR which have been widely adopted for other regulated activities such as dealing in securities. In line with our submission in sub-paragraph (1)(a) (Compliance with FATF requirements), we request MAS to consider that so long as the head office of a foreign office or parent company of a FRC is incorporated in a FATF compliant country, performance of CDD measures by the FRC or foreign office in line with the Group AML/CFT policy requirements in respect of Singapore based customers of the foreign office or FRC under the proposed Branch Framework and notified FRC framework respectively will satisfy the requirements in the draft Notices. This ensures that the AML/CFT requirements in the proposed Branch Framework, notified FRC framework and Second Schedule of the SFR will be levelled accordingly. **Other comments** **(1) Transition Period** We note that MAS had, in the earlier Consultation Paper on Proposed Exemption Framework for Cross-Border Business Arrangements of Capital Markets Intermediaries Involving Foreign Offices, proposed to implement the proposed Branch Framework on 8 October 2021, and provide FIs with a transition period of 6 months to comply with the proposed boundary conditions and submit notifications on their Existing OTCD Branch Arrangements under the proposed Branch Framework.

S/N	Respondent	Full Responses from Respondent
		In line with our request in the earlier Consultation Paper, ASIFMA requests MAS to consider similarly extending the transition period for the proposals in this Consultation Paper to 9 October 2022, to provide FIs with sufficient time between MAS' response to the consultation and the effective date of the Notices coming into force, so that FIs can consider any further changes that may be necessary to its processes required following MAS' response (including establishing additional CDD processes and controls with their foreign office or FRC as well as communicate with customers for additional information where necessary).
2.	Lymon Pte. Ltd.	**Question. MAS seeks comments on the draft Notices in Annexes A1 to A4.** Annex A1 1) We would appreciate MAS' clarification on whether a foreign office of a Specified Regulated Entity is subject to suspicious transaction reporting requirements per MAS Notice SFA04-N02 and MAS Notice FAA-N06 on Prevention of Money Laundering and Countering the Financing of Terrorism. Annex A2 1) We propose that MAS also include the requirements set out in Paragraph 10.2 of the MAS Notice FAA-N06 in the draft Notices, to ensure that records are maintained appropriately, in cases where regulatory inspections or enforcement actions are taken. Annex A3 & A4 1) We propose that MAS also include the requirements set out in Paragraph 11.2 of the MAS Notice SFA04-N02 and Paragraph 10.2 of the MAS Notice FAA-N06 in the draft Notices, to ensure that records are maintained appropriately, in cases where regulatory inspections or enforcement actions are taken. 2) We would appreciate MAS' clarification on whether a foreign office of a Specified Regulated Entity is subject to suspicious transaction reporting requirements per MAS Notice SFA04-N02 and MAS Notice FAA-N06 on Prevention of Money Laundering and Countering the Financing of Terrorism.

S/N	Respondent	Full Responses from Respondent
		3) We would appreciate MAS' clarification on whether a foreign office of a Specified Regulated Entity is required to allow its customers to access and correct their personal data, as set out in Paragraph 12.3 of the MAS Notice SFA04-N02 and Paragraph 11.3 of the MAS Notice FAA-N06. 4) We propose that MAS also include Compliance, Audit and Training (as per the requirements set out in MAS Notice SFA04-N02, Paragraph 14) in Annex 3 under Paragraph 4 to mandate that a foreign office of a Specified Regulated Entity should also develop effective compliance management arrangements, an independent audit function and provide adequate AML/KYC/CFT training to all employees.
3.	Shook Lin & Bok LLP	**Question. MAS seeks comments on the draft Notices in Annexes A1 to A4.** Paragraph 4.1 of the draft Notices state that a Specified Regulated Entity must ensure that there are adequate internal policies, procedures and controls to ensure that the performance of CDD measures by the FRC/Foreign Office to prevent money laundering and the financing of terrorism is consistent with the requirements set out under the relevant AML/CFT Notice applicable to the Specified Regulated Entity, in respect of customers of the FRC/Foreign Office. It seems to us that the wording does not make clear which of the parties is to be responsible for performing CDD. Firstly, does this mean that in respect of customers of the FRC/Foreign Office, the onus remains on the Specified Regulated Entity to perform the CDD measures? Or can the performance of CDD measures be done by the FRC/Foreign Office itself? Secondly, we are of the view that MAS should allow Specified Regulated Entities to share the responsibility for the performance of CDD measures with their FRC/Foreign Offices, depending on whether it is the Specified Regulated Entity or the FRC/Foreign Office which has ready or convenient access to the customer. **Other comments**

S/N	Respondent	Full Responses from Respondent
		Footnote 2 of the Consultation Paper states that where the customers of the FRC or Foreign Office are also considered customers of the Singapore FI, as defined in the relevant AML Notice, the Notice requirements would apply, and where the FRC/Foreign Office's customers are not customers of the Singapore FI, the Singapore FI will still be required to ensure that the policies and procedures in place relating to the conduct of customer due diligence under the FRC/Branch Arrangement are at least as stringent as the requirements in the relevant AML Notice. Can MAS clarify the differences between directly complying with the relevant AML Notice, and ensuring that the conduct of CDD is at least as stringent as the requirements in the relevant AML Notice? Does the expression "ensuring that the conduct of CDD is at least as stringent as the requirements in the relevant AML Notice" mean that the FRC/Foreign Office is still to apply its own AML standards rather than Singapore AML standards?