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SECURITIES AND FUTURES ACT
(CHAPTER 289, SECTION 341)

SECURITIES AND FUTURES (EXEMPTION FROM REQUIREMENTS) (CROSS-
BORDER ARRANGEMENTS) (FOREIGN RELATED CORPORATIONS)
REGULATIONS

In exercise of the powers conferred by section 341(1) of the Securities and Futures Act, the Monetary Authority of Singapore makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Securities and Futures (Exemption from Requirements) (Cross-Border Arrangements) (Foreign Related Corporations) Regulations and come into operation on 9 October 2021.

Definitions

2. In these Regulations, unless the context otherwise requires —

“AML/CFT requirement”, in relation to a foreign jurisdiction, means a law or regulatory requirement of that foreign jurisdiction for the detection or prevention of money laundering or the financing of terrorism;

“cross-border arrangement”, in respect of a specified holder of a capital markets services licence or a specified exempt person, means the policies and procedures by which its FRC carries on business in any of the following activities in Singapore —

- (a) in the case of a specified holder of a capital markets services licence for any regulated activity other than dealing in capital markets products, the

- regulated activity that the holder is licensed to provide under the capital markets services licence;
- (b) in the case of a specified holder of a capital markets services licence for dealing in capital markets products —
- (i) dealing in capital markets products, in respect of the type or types of capital markets products that the holder may carry on a business in dealing in capital markets products under the capital markets services licence; and
 - (ii) product financing or providing custodial services, in respect of the type or types of capital markets products that the holder may carry on a business in dealing in capital markets products under the capital markets services licence;
- (c) in the case of a specified exempt person who is exempt from the requirement to hold a capital markets services licence for any regulated activity other than dealing in capital markets products, the regulated activity that the specified exempt person carries on business in, in reliance on the exemption;
- (d) in the case of a specified exempt person who is exempt from the requirement to hold a capital markets services licence for dealing in capital markets products (called in this definition a relevant exemption) —
- (i) dealing in capital markets products, in respect of the type or types of capital markets products that the specified exempt person is carrying on business in, in reliance on the relevant exemption; and
 - (ii) product financing or providing custodial services, in respect of the type or types of capital markets products which the specified exempt person is carrying on business in dealing in capital markets products, in reliance on the relevant exemption;

“FATF” means the intergovernmental body known as the Financial Action Task Force;

“foreign regulatory authority” means —

- (a) an authority of a country or jurisdiction other than Singapore, exercising any function that corresponds to a regulatory function of the Authority under the Monetary Authority of Singapore Act (Cap. 186); or
- (b) a non-governmental organisation exercising any function that corresponds to a regulatory function of the Authority under the Monetary Authority of Singapore Act (Cap. 186) under the law of or by delegation from an authority of a country or jurisdiction other than Singapore;

“foreign representative” means a representative of the FRC who carries out for the FRC, any regulated activity conducted by the FRC under a cross-border arrangement;

“FRC”, in respect of a specified holder of a capital markets services licence or a specified exempt person, means a foreign company that is a related corporation of the specified holder of a capital markets services licence or the specified exempt person;

“specified exempt person” means a person exempted from the requirement to hold a capital markets services licence under —

- (a) section 99(1)(a), (b), (c), or (d) of the Act;
- (b) paragraph 3(1)(d) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations; or
- (c) paragraph 3A(1)(d) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations;

“specified FRC” means any of the following FRCs —

- (a) an FRC of a specified holder of a capital markets services licence or specified exempt person who, immediately before 9 October 2021, was carrying on business in any regulated activity under a cross-border

arrangement that is approved by the Authority under paragraph 9 of the Third Schedule to the Act;

- (b) an FRC of a specified holder of a capital markets services licence or specified exempt person who, immediately before 9 October 2021, was carrying on business in any regulated activity in reliance on any of the exemptions under regulation 65 of the Securities and Futures (Licensing and Conduct of Business) Regulations under a cross-border arrangement, where the relevant specified holder of a capital markets services licence or the specified exempt person lodges with the Authority a notice of the cross-border arrangement in a form to be specified by the Authority on or before 8 April 2022;

“specified holder of a capital markets services licence” means a holder of a capital markets services licence, other than a holder who does not carry on business in any regulated activity other than the management of portfolios of specified products on behalf of venture capital funds; and

“venture capital fund” has the same meaning as in regulation 14(8) of the Securities and Futures (Licensing and Conduct of Business) Regulations.

Exemption for FRCs of specified holders of a capital markets services licence or specified exempt persons carrying on business in regulated activities under a cross-border arrangement

3.—(1) Subject to regulation 5, a FRC of a specified holder of a capital markets services licence or a specified exempt person, is exempt from sections 82(1) and 99A of the Act in respect of carrying on business in a regulated activity under a cross-border arrangement with the specified holder of a capital markets services licence or the specified exempt person.

(2) The exemption under paragraph (1) does not apply to a specified FRC until the date the specified holder of a capital markets services licence or specified exempt person

(as the case may be) lodges with the Authority a notice of the cross-border arrangement in a form to be specified by the Authority.

Exemption for foreign representatives of FRCs carrying on business in regulated activities under a cross-border arrangement

4. A person who acts as a foreign representative of an FRC of a specified holder of a capital markets services licence or a specified exempt person is exempt from section 99A of the Act in respect of the regulated activity which the FRC is exempted for under regulation 3(1), if the FRC is exempt under regulation 3(1).

Scope of exemptions under regulation 3

5. The exemptions under regulation 3 only apply if —

- (a) the FRC is subject to regulatory oversight by a foreign regulatory authority in a foreign jurisdiction in respect of the activities of the FRC under the cross-border arrangement;
- (b) the FRC is —
 - (i) subject to AML/CFT requirements in the foreign jurisdiction mentioned in paragraph (a) that are consistent with the standards set by the FATF; and
 - (ii) supervised by a foreign regulatory authority in that foreign jurisdiction in respect of compliance with the AML/CFT requirements;
- (c) the foreign jurisdiction mentioned in paragraph (a) is —
 - (i) not subject to any sanction imposed pursuant to a Resolution of the Security Council of the United Nations; or
 - (ii) subject to a sanction imposed pursuant to a Resolution of the Security Council of the United Nations, but the Authority has given its approval in writing for the commencement or continuation of the cross-border arrangement.
- (d) the FRC carries on business in the regulated activity mentioned in regulation 3 with classes of investors, that the specified holder of a capital

markets services licence is restricted to under conditions or restrictions in its capital markets services licence or the specified exempt person is restricted to under conditions or restrictions imposed on the specified exempt person; and

- (e) the FRC does not carry on business in the regulated activity mentioned in regulation 3 with any person who is not an accredited investor, institutional investor or expert investor.

Cessation of exemptions under regulation 3

6.—(1) A FRC of a specified holder of a capital markets services licence or a specified exempt person, that is not a specified FRC, who is otherwise exempted under regulation 3, shall not be or shall cease to be so exempted, if the specified holder of a capital markets services licence or the specified exempt person does not lodge with the Authority a notice of the cross-border arrangement in a form to be specified by the Authority within 14 days from the date that the FRC commences business in a regulated activity under the cross-border arrangement in reliance on the exemptions under regulation 3.

(2) A specified FRC who, immediately before 9 October 2021, was carrying on business in any regulated activity in reliance on the exemption under regulation 65 of the Securities and Futures (Licensing and Conduct of Business) Regulations under a cross-border arrangement, is not exempted or ceases to be exempted under that regulation, upon the lodgement of the notice mentioned in paragraph (1).