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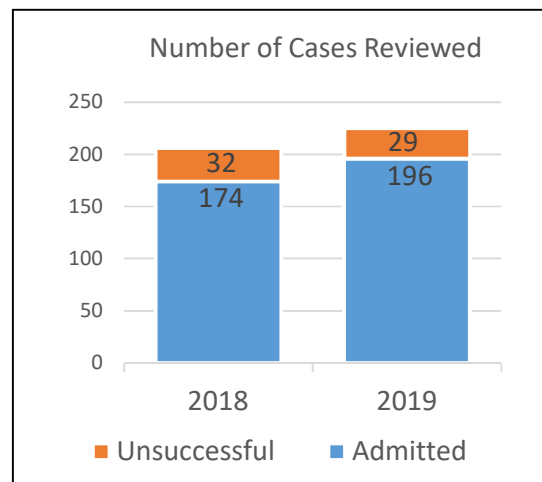
# 2019 Licensing & Registration Report for Capital Markets Intermediaries

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## A. Number of Applications

*MAS admitted 13% more companies than the previous year.  
13% of applications were unsuccessful.*

In 2019, MAS admitted 196 capital markets intermediaries<sup>1</sup>. This was 13% more than the 174 admitted in 2018. 29 applications were unsuccessful.



## B. Processing Time

MAS is committed to a 4-month timeframe for processing corporate licence and registration applications. Average time taken to review applications increased in 2019 from the year before. This was due to the larger volume of applications. Applications that took longer than 4 months were those with more complex

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<sup>1</sup> Capital Markets Intermediaries refer to holders of Capital Markets Services (CMS) licences that include REIT managers and managers operating under the VC manager regime; Financial Advisers, Trust Businesses, Registered Insurance Brokers, Approved Trustees and Registered Fund Management Companies. They exclude applicants to the MAS FinTech Regulatory Sandbox.

and/or unusual business models, had shareholders and directors with adverse information, or that made frequent or significant changes to their business plans or key personnel after submitting their applications.

Type	Capital Market Services Licence Holder <sup>2</sup>	Financial Adviser, Trust Business, Registered Insurance Broker, and Approved Trustee	Registered Fund Management Company
Commitment	4 months		
<b>2019</b>			
Admitted	90	11	52
Median Time Taken	3.7 months	3.3 months	3.9 months
Mean Time Taken	4.1 months	3.2 months	4.0 months
<b>2018</b>			
Admitted	78	9	43
Median Time Taken	3.2 months	2.8 months	3.8 months
Mean Time Taken	3.2 months	3.0 months	4.2 months

<sup>2</sup> Excludes applications made under the VC manager regime. For 2019, MAS approved 43 such applications. Median processing time was 3.4 weeks; mean time taken was 3.9 weeks.

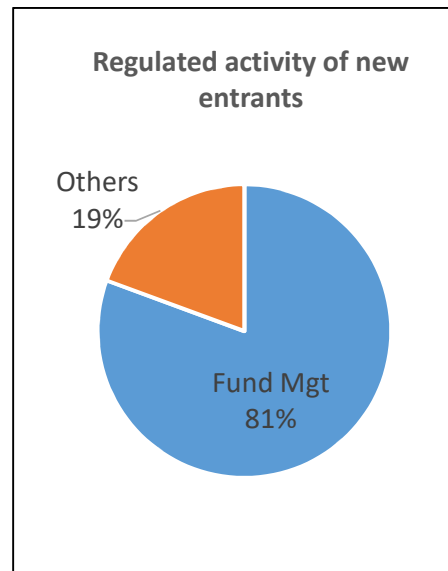
## C. New Entrants

*The majority of new entrants applied to conduct fund management activity. Other activities applied for included dealing in capital markets products and providing financial advisory and trust services.*

*Asian entities formed the bulk of foreign applicants.*

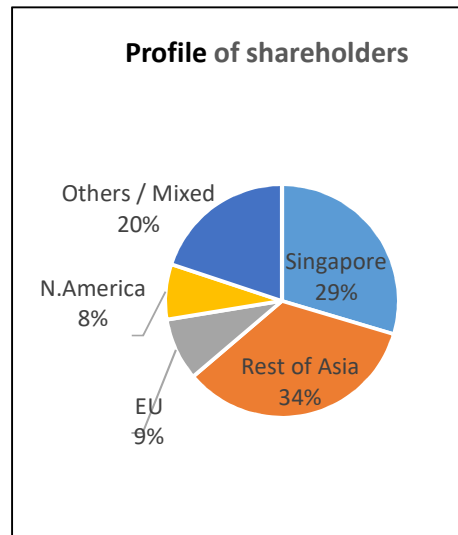
*37% of applicants used service providers to assist with their applications.*

**Regulated activity** – 158 (81%) of the 196 new entrants applied to carry out fund management activity in Singapore. Of these, 45 applied to operate under the venture capital manager regime. They formed the largest group of fund management applicants. There were also 7 managers that applied to manage loans funds that provided consumer credits via lending platforms, or business loans such as trade receivables.

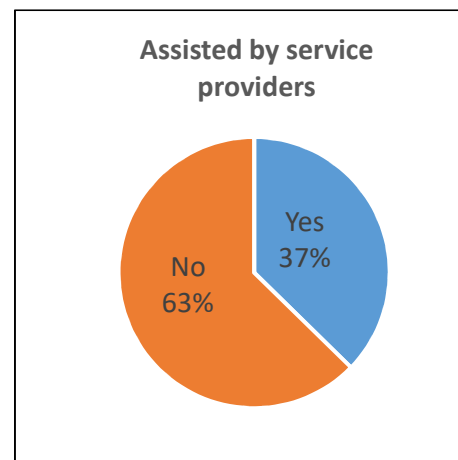


Of the other 38 (19%) new entrants, the majority applied to deal in capital markets products. Other activities included financial advisory and provision of trust services. There were a number of applicants that sought to use distributed ledger technology (“DLT”, or also known as block chain technology) in their business models. These applicants applied to operate platforms that would facilitate issuers to raise funds via tokenised securities, where the transactions for such securities are recorded on DLT. Some of these applicants also sought to facilitate secondary trading of the tokenised securities, to provide investors with avenues to exit their investments in issuers that raised funds through these platforms.

**Profile of shareholders** – 58 (29%) of the 196 new entrants had shareholders that were Singapore citizens or corporations. Another 67 (34%) had shareholders from countries in Asia, including China, India, Japan and Australia. The majority of new entrants were started by individuals, many of whom left financial institutions to set up their own businesses. Foreign financial institutions establishing Singapore offices formed a smaller group, as many of them already have a presence in Singapore.



**Use of service providers to assist with applications** – Service providers assisted with 37% of all applications. They included compliance service providers, law firms and accounting firms. Generally, we found these applications to be more complete and with fewer errors. This helped reduce the time taken to process the application.



## D. Unsuccessful Applications

Applications were turned away or unsuccessful for a variety of reasons. Apart from applications that were incomplete, the most common reasons were:

- (i) inadequate track record of the applicant's board of directors; and
- (ii) adverse records concerning the applicant's shareholders and directors, which the applicant did not declare, or was unable to address satisfactorily.

It is important that applicants review their intended business activity and ensure that they fully meet all admission criteria. All the shareholders, directors and staff of the applicant must be fit and proper. Service providers play an important role in screening applicants that do not meet admission criteria.

There were other reasons that applications were unsuccessful. These were:

- (i) the ability of the applicant to make use of an existing class exemption; and
- (ii) the proposed activity did not constitute regulated activity.

MAS will not grant a licence or registration to an applicant whose activities fall within an existing class exemption, or are not regulated under legislation administered by MAS. Prospective applicants may refer to the Capital Markets page of the MAS website (<https://www.mas.gov.sg/regulation/capital-markets>) for more information about whether their proposed business activities require a licence or registration.

March 2020