



Monetary Authority of Singapore

**SECURITIES AND FUTURES ACT
(CAP. 289)**

NOTICE ON EXECUTION OF CUSTOMERS' ORDERS

Notice No: SFA 04-N16
Issue Date: 03 September 2020

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1 INTRODUCTION

1.1 This Notice is issued pursuant to section 101 of the Securities and Futures Act (Cap.289)(“Act”) and applies to capital markets intermediaries.

2 DEFINITIONS

2.1 For the purposes of this Notice –

“capital markets intermediary” means –

(a) a holder of a capital markets services licence to carry on business in one or more of the following regulated activities:

- (i) dealing in capital markets products;
- (ii) fund management;
- (iii) real estate investment trust management; or

(b) a person exempted from the requirement to hold a capital markets services licence under section 99(1)(a), (b) or (c) of the Act in respect of one or more of the following regulated activities:

- (i) dealing in capital markets products;
- (ii) fund management;
- (iii) real estate investment trust management.

“customer” means –

(a) in relation to a capital markets intermediary carrying on business in dealing in capital markets products, a person, other than an institutional investor, on whose behalf, or with whom, the capital markets intermediary (either directly or through its agent) deals or will deal in capital markets products;

(b) in relation to a capital markets intermediary carrying on business in fund management or real estate investment trust management:

- (i) a person, other than an institutional investor, on whose behalf, the capital markets intermediary (either directly or through its agent)

- carries on or will carry on fund management or real estate investment trust management; or
- (ii) a collective investment scheme on whose behalf the capital markets intermediary (either directly or through its agent) carries on or will carry on fund management or real estate investment trust management.

“institutional investor” has the same meaning as in section 4A of the Act;

“order” in relation to a customer, means an order for the purchase or sale of any capital markets product, which a capital markets intermediary will:

- (a) place or execute, or both, as the case may be, on behalf of the customer; or
- (b) execute with the customer.

2.2 The expressions used in this Notice shall, except where defined in this Notice or where the context otherwise requires, have the same meanings as in section 2 of the Act.

3 POLICIES AND PROCEDURES IN RELATION TO CUSTOMERS’ ORDERS

3.1 A capital markets intermediary, which (either directly or through its agent) places or executes, or both, as the case may be, customers’ orders for purchase or sale of any capital markets products, must establish and implement written policies and procedures that are commensurate with the nature, scale and complexity of its business:

- (a) to place or execute or both, as the case may be, customers’ orders on the best available terms; and
- (b) to place or execute, or both, as the case may be, comparable customers’ orders in accordance with the time of receipt of such orders.

3.2 This Notice shall take effect on 03 March 2022.