



Monetary Authority of Singapore

**COMPLIANCE TOOLKIT FOR
LICENSED FUND MANAGEMENT COMPANIES**
- Approvals, Notifications and Regulatory Submissions
to MAS under the Securities and Futures Act

Key Legislative and Regulatory Requirements Covered:	<ol style="list-style-type: none"> 1. Securities and Futures Act (Cap. 289) (SFA). Specifically, the following parts of the SFA: <ul style="list-style-type: none"> • <i>Part IV Holders of Capital Markets Services (CMS) Licence and Representatives</i> • <i>Part V Books, Customer Assets and Audit</i> 2. Securities and Futures (Licensing and Conduct of Business) Regulations (LCBR) (Rg. 10) 3. Securities and Futures (Financial and Margin Requirements for Holders of CMS Licenses) Regulations (FMR) (Rg. 13) 4. Licence conditions imposed on Licensed Fund Management Companies (LFMCs) 5. Guidelines on Licensing, Registration and Conduct of Business for Fund Management Companies 6. Notice on Reporting of Misconduct of Representatives by Holders of CMS Licence and Exempt Financial Institutions
Description of Document:	<p>This Compliance Toolkit aims to provide guidance on:</p> <ul style="list-style-type: none"> • Applications for approvals from MAS; • Notifications to be submitted to MAS; and • Regulatory submissions to MAS (e.g. financial returns), which are applicable to LFMCs <p>This compliance toolkit aims to provide LFMCs with a simple reference on the common applications, forms and submissions pursuant to the SFA that are applicable to LFMCs. However, it is not exhaustive, and LFMCs are expected to be familiar with all legislations and requirements that are applicable to them. For the avoidance of doubt, this toolkit excludes reporting obligations that fall outside the SFA; as well as fund-level requirements (e.g. Code of Collective Investment Scheme). Where an LFMC intends to apply for or holds a CMS licence to carry on business in other SFA regulated activities such as dealing in Capital Markets Products, it should also refer to the compliance toolkit that is relevant to these other types of regulated activities.</p> <p>LFMCs are welcomed to provide suggestions on this toolkit through webmaster@mas.gov.sg.</p>
Relevant to:	LFMCs
Method of Submission:	<p>In general, most forms listed in Section A (Applications for approvals from MAS) are to be submitted through the Corporate e-Lodgment (CeL) Services.</p> <p>For email submissions to the MAS officer-in-charge (OIC) of the LFMC, LFMCs should encrypt (e.g. password-protect) all information and data which are confidential or sensitive before submitting them to the MAS. The password should be communicated by the LFMC to the MAS OIC through a different channel.</p>

	Financial returns submissions listed in Section C should either be made via MASNET or the mode of submission prescribed under the MAS website.
Version Control:	Version 1.0 issued on 2 October 2020

S/N	Requirement	Form to be Submitted	Regulatory Deadline	Mode of Submission	Legislative Reference
Section A: Applications for approvals from MAS					
1	<p>To seek MAS' approval for a grant of CMS licence to carry on business in fund management as an LFMC</p> <p>This applies to entities that intend to carry on business as an LFMC; and Registered Fund Management Companies (RFMCs) whose Assets Under Management (AUM) are expected to exceed S\$250 million and/or number of qualified investors are expected to exceed 30^{1 2}</p>	Form 1A – Application for a CMS Licence for Fund Management to operate as an LFMC	Prior to carrying on business in fund management as an LFMC	CeL	Section 84 of the SFA and Paragraph 5(7F) of the Second Schedule to the LCBR
2	To seek MAS' approval to conduct additional type(s) of regulated activity under the SFA	Form 5 - Application for Additional Regulated Activity under a CMS Licence	Prior to carrying on business in additional type(s) of regulated activity under the SFA	Email	Section 90 of the SFA and Regulation 11A of the LCBR ³
3	To seek MAS' approval for the appointment of a Chief Executive Officer (CEO) or Director; or for the change in the nature of Director appointment from Non-Executive to Executive	Form 11 - Appointment of CEO or Director/Change of Director's Nature of Appointment from Non-Executive to Executive	Prior to the appointment of CEO or Director; or the change in the nature of Director appointment	CeL	Section 96 of the SFA and Regulation 12 of the LCBR
4	For an acquirer seeking MAS' approval to obtain effective control of an LFMC	Application for Approval to obtain Effective Control of	Prior to obtaining effective control of an LFMC	Email	Section 97A of the SFA

¹ Out of these 30 qualified investors, the number of collective investment schemes, closed-end funds, or limited partnerships should not exceed 15.

² Depending on its business model, an RFMC may apply to be either an LFMC or Venture Capital Fund Manager.

³ For more information, please refer to the FAQs on the Licensing and Registration of Fund Management Companies on the need to hold a CMS licence for dealing in capital markets products and the relevant exemptions.

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	This applies to any person that intends to obtain effective control of an LFMC (i.e the acquirer)	the Holder of a CMS Licence under Section 97A(2) of the SFA			
5	For an LFMC/acquiree seeking MAS' approval for any change of members or shareholdings of members which will result in any person, alone or acting together with any connected person, being in a position to control equal or more than 20% of the voting power in or hold interest in equal or more than 20% of the issued shares of the LFMC This applies to any LFMC that is being acquired	No prescribed form	Prior to the change of members or shareholdings of members of an LFMC	Email	Licence condition
6	To seek MAS' approval to acquire or hold, whether directly or indirectly, an interest of 20% or more of the share capital of any corporation; or establish any branch (whether in Singapore or elsewhere). For this condition, "corporation" has the same meaning as in section 2 of the SFA, but excludes a corporation which is incorporated for the purpose of arranging a closed-end fund or a collective investment scheme	No prescribed form	Prior to the acquisition or control of a corporation, or the establishment of any branch	Email	Licence condition
7	To seek MAS' approval to comply with new base capital requirement when: (a) commencing or ceasing business in any regulated activity; or	No prescribed form	(a) Prior to commencing or ceasing business in any regulated activity; or (b) Prior to changing the scope of the business in a regulated activity	Email	Regulation 4 of the FMR

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	(b) changing the scope of business in a regulated activity				
8	To seek MAS' approval to reduce paid-up ordinary share capital or paid-up irredeemable and non-cumulative preference share capital	No prescribed form	Prior to reduction of paid-up ordinary share capital or paid-up irredeemable and non-cumulative preference share capital	Email	Regulation 20 of the FMR
9	To seek MAS' approval to disclose inspection reports issued by MAS or a foreign regulatory authority, to a person other than the auditor of the LFMC in connection with the performance of duties of the auditor for that LFMC This applies to any LFMC subject to inspection by MAS or a foreign regulatory authority	No prescribed form	Prior to disclosing the inspection report	Email	Sections 150A and 150C of the SFA
10	To seek MAS' approval to disclose investigation reports issued by MAS to a person other than the auditor of the LFMC in connection with the performance of duties of the auditor for that LFMC This applies to any LFMC subject to MAS' investigation	No prescribed form	Prior to disclosing the investigation report	Email	Section 152A of the SFA
11	To seek MAS' approval to allow a foreign company to carry on any regulated activity that is effected under an arrangement between the	Application for Approval of Arrangements under Paragraph 9 of the Third Schedule to the SFA	Prior to entering into the arrangement under Paragraph 9 of the Third Schedule to the SFA	Email	Paragraph 9 of the Third Schedule to the SFA

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	foreign company and its related corporation licensed under the SFA				
Section B: Notifications to be submitted to MAS					
Section B1: Notifications in relation to the LFMC					
12	<p>To notify MAS where an LFMC:</p> <p>(a) ceases to carry on business in any or all regulated activities; or</p> <p>(b) has not commenced business in any or all regulated activities by the end of the period of 6 months from the date of the grant of the licence</p>	<p>Form 7 - Notice of Cessation of Business</p> <p>(Accompanied by an audit certification (no prescribed format) that the LFMC has fully discharged all customer obligations)</p>	<p>For cessation of business, within 14 days after the cessation of any or all regulated activities</p> <p>For non-commencement of regulated activity, immediately after the end of 6 months from the date of the grant of the CMS licence</p>	Email	Section 93 of the SFA and Regulation 11 of the LCBR
13	To notify MAS of a change of name or a change of principal place of business	Form 10 - Notice for Change of Name and/or Change of Principal Place of Business	Within 14 days from the date of change	Email	Section 93 of the SFA
14	<p>To notify MAS of any matter which may adversely affect an LFMC's financial position to a material extent, including where the LFMC:</p> <p>(a) is or is likely to become insolvent;</p> <p>(b) is or is likely to become unable to meet its obligations; or</p> <p>(c) has suspended or is about to suspend payments</p>	No prescribed form	Immediate	Email	<p>Licence condition</p> <p>Section 97C of the SFA</p>

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15	To notify MAS of any changes of members or shareholdings of members which will result in any person, alone or acting together with any connected person, being in a position to control less than 20% of the voting power in or hold interest in less than 20% of the issued shares of the LFMC	No prescribed form	Immediate	Email	Licence condition
16	To notify MAS of the execution of an agreement or transaction for the purchase, sale, merger or any other business combination of all or any part of the business in the regulated activity under the SFA for which its CMS licence is granted	No prescribed form	7 days prior to the execution of the agreement or transaction	Email	Licence condition
17	To notify MAS of (i) the resignation of CEO or any Director; (ii) any change in the nature of the appointment of a Director from one that is Executive to one that is Non-Executive; (iii) any change in country of residence of CEO or any Director; and (iv) any change in the business interests or shareholdings of CEO or any Director provided in Form 11	No prescribed form	As soon as practicable, or for (i), no later than 14 days from the date of the resignation	Email	Licence condition
18	To notify MAS when an LFMC becomes aware that it or any of its officers or representatives has committed any offence, is subject to any disciplinary action, investigation, civil or criminal proceedings, any breach of laws or regulations, business rules or codes of conduct, or is involved in any matter that would affect the ability to meet the fit and proper criteria	No prescribed form	Immediate	Email	Licence condition

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19	To notify MAS when an LFMC has fewer than 2 full-time appointed representatives in respect of each relevant regulated activity under the SFA	No prescribed form	As soon as practicable	Email	Licence condition
20	To notify MAS on the suspension of fund dealings or activation of gating measures and other liquidity management tools	(a) For authorised CIS - Significant Redemptions report (b) Other types of funds - No prescribed format	By the next dealing day (T+1), where the net redemptions exceed 5% of total AUM in any given dealing day (i.e. day T).	For (a), via Link: https://go.go.v.sg/srreport For (b), via Email	Guidelines on Liquidity Risk Management Practices for Fund Management Companies (SFA04-G08) and MAS Circular CMI 09/2020 dated 10 March 2020
B2: Notifications in relation to financial and margin requirements					
21	To notify MAS of the inclusion of the following items in the financial resources of an LFMC: (a) the excess of allowable preference share capital over base capital; and (b) qualifying subordinated loans ⁴ An LFMC is prohibited from including items (a) and/or (b) in its financial resources for a period exceeding 90 days in each calendar year	No prescribed form	Immediate	Email	Regulation 2A of the FMR

⁴ The terms “base capital”, “qualifying subordinated loan” and “financial resources” are defined in Regulation 2 of FMR.

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22	To notify MAS when the base capital or net head office funds⁵ fall or will fall below the prescribed amount	No prescribed form	Immediate	Email	Regulation 4 of the FMR
23	To notify MAS when the financial resources or adjusted net head office funds fall or will fall below the total risk requirement	No prescribed form	Immediate	Email	Regulation 6 of the FMR
24	To notify MAS when the financial resources or adjusted net head office funds fall below 120% of its total risk requirement	No prescribed form	Immediate	Email	Regulation 7 of the FMR
25	In matters relating to preference shares, to notify MAS prior to: (a) issuing any preference share; and (b) repaying the principal of any preference share (other than any paid-up irredeemable and non-cumulative preference share capital) that is included as part of LFMC's financial resources through repurchase or redemption	No prescribed form	For issuance, prior to the issuance of the preference share For repayment, 3 months before the proposed date of repurchase or redemption	Email	Regulation 21 of the FMR
26	In matters relating to qualifying subordinated loan, to notify MAS prior to: (a) the drawdown of a qualifying subordinated loan; and	No prescribed form	For drawing down a qualifying subordinated loan, prior to the drawdown; For early repayment, prior to the repayment;	Email	Regulation 22 of the FMR

⁵ As defined in Regulation 2 of FMR.

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	(b) the repayment, whether in part or in full, of any subordinated loan principal before the maturity date set out in the subordination loan agreement		For repayment of matured qualifying subordinated loan, at least one business day before the repayment		
Section B3: Notifications in relation to the representatives of LFMCS					
27	To notify MAS of the appointment of a representative	Form 3A - Notification for Appointment of an Appointed Representative	Prior to the appointment of the appointed representative	MASNET	Sections 99D and 99H of the SFA and Regulation 3A of the LCBR
28	To notify MAS of the appointment of a provisional representative	Form 3B - Notification for Appointment of a Provisional Representative	Prior to the appointment of the provisional representative	MASNET	Sections 99E and 99H of the SFA and Regulation 3B of the LCBR
29	To notify MAS of the appointment of a temporary representative	Form 3C - Notification for Appointment of a Temporary Representative	Prior to the appointment of the temporary representative	MASNET	Sections 99F and 99H of the SFA and Regulation 3C of the LCBR
30	To notify MAS of the completion of examination requirements by a provisional representative	Form 3D - Notification of the Completion of Examination Requirements by a Provisional Representative	Prior to the expiry of the period specified against the provisional representative's name in the public register of representatives	MASNET	Section 99E of the SFA and Regulation 3B of the LCBR
31	To notify MAS of the intention for an appointed representative to carry out additional regulated activity, in addition to that indicated against the representative's name in the public register of representatives	Form 6 - Notification to Add Activity of a Representative	Prior to carrying out the additional regulated activity	MASNET	Section 99L of the SFA and Regulation 5 of the LCBR

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32	<p>To notify MAS:</p> <p>(a) where a representative has ceased to be a representative in any or all regulated activities; or</p> <p>(b) where an appointed representative has not commenced to act as a representative in at least one of the regulated activities by the end of the period of 6 months from the date that the representative's name was entered in the public register of representatives</p>	Form 8 - Notification for the Cessation of a Representative in any or all of the Regulated Activities	<p>(a) No later than the next business day after the cessation of regulated activity</p> <p>(b) Immediate</p>	MASNET	Sections 99D, 99E and 99F of the SFA and Regulation 11B of the LCBR
33	To notify MAS of any change to a representative's particulars	Form 16 - Notification to Change Particulars for a Representative	Within 14 days of the date of change	MASNET	Section 99H of the SFA and Regulation 5 of the LCBR
Section C: Regulatory submissions to MAS					
34	To submit quarterly financial returns	<p>Form 1 - Statement of Assets and Liabilities</p> <p>Form 2 - Statement of Financial Resources, Total Risk Requirement and Aggregate Indebtedness</p>	Within 14 days from the end of each quarter	MASNET	Regulation 27 of the FMR
35	To submit audited annual financial returns and auditor's report	Form 1 - Statement of Assets and Liabilities	Within 5 months from the end of the financial year	Forms 1 to 4: MASNET	Section 107 of the SFA and Regulation 27 of the FMR

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		<p>Form 2 - Statement of Financial Resources, Total Risk Requirement and Aggregate Indebtedness</p> <p>Form 3 - Statement related to the Accounts of a Holder of a CMS Licence</p> <p>Form 4 - Statement relating to the Accounts of a Holder of a CMS Licence – Supplementary Information</p> <p>Form 5 - Auditor’s Report - For a Holder of a CMS Licence</p> <p>Form 6 - Auditor’s Certification - For a Holder of a CMS Licence</p> <p>Audited Profit and Loss Account and Balance Sheet made up to the last day of the financial year, together with an Auditor’s report, including Management Letter (if any)</p>		Forms 5 and 6, and auditor’s report via the link: https://go.gov.sg/cmslannualre turns	

S/N	Requirement	Form to be Submitted	Regulatory Deadline	Mode of Submission	Legislative Reference
36	<p>To report to MAS the following types of misconduct committed by the LFMC's representatives:</p> <p>(a) Acts Involving Fraud, Dishonesty or Other Offences of a Similar Nature; (b) Acts Relating to Market Conduct Provisions under Part XII of the SFA; (c) Failure to Satisfy the Guidelines on Fit and Proper Criteria; (d) Non-compliance with any regulatory requirement relating to the provision of any regulated activity under the SFA; (e) A serious breach of the LFMC's internal policy or code of conduct</p>	<p>(a) Report on misconduct of representative</p> <p>(b) Update report (for cases where investigations and/or disciplinary actions are pending)</p>	<p>(a) Upon discovery of the misconduct</p> <p>(b) When there is any significant development in the case</p>	MASNET	Paragraphs 4 to 8 of the Notice on Reporting of Misconduct of Representatives by Holders of CMS Licence and Exempt Financial Institutions
37	<p>To submit an annual declaration that there was no misconduct report for the preceding year</p> <p>This applies to LFMCs that have not submitted any Misconduct Report in the preceding calendar year</p>	Declaration of Nil Return of Misconduct of Representatives	Within 14 days after calendar year end	MASNET	Paragraph 9 of the Notice on Reporting of Misconduct of Representatives by Holders of CMS Licence and Exempt Financial Institutions