RESPONSE TO CONSULTATION PAPER

Consultation topic:	Collective Proposed Amendments to Code on Investment Schemes
Name[1]/Organisation: [1]if responding in a personal capacity	DBS Bank Ltd.

General comments: N.A.

Question 1: MAS seeks comments on the proposed requirements for Precious Metals Funds. MAS also seeks views on (i) imposing an NAV cap on Precious Metals Fund's investments in silver and/or platinum; or (ii) only allowing a Precious Metals Fund to invest in gold, for a start. N.A.

Question 2: MAS seeks comments on the proposed disclosure requirements on a fund manager's credit assessment practices. N.A.

Question 3: MAS seeks comments on the proposal to require additional disclosures on securities lending or repo in the fund's semi-annual and annual reports. N.A.

Question 4: MAS seeks comments on the proposal to extend the additional disclosure requirements under the CIS Code to Recognised funds. N.A.

Question 5: MAS seeks comments on the proposal to require managers of Authorised and Recognised funds to ensure that advertisement on such funds are prepared in accordance with the CBPA and the RDPA.

We wish to seek clarification on whether the proposal by the MAS to require illustrations of income statistics in advertisements to be prepared in accordance with the RDPA should apply to REITs.

We refer to section 5.4.3 of the CBPA, which states that when listed REITs are permitted by the authorities to include projections and forecasts, advertisements stating the projected or forecasted return should clearly refer to the bases and assumptions of such projections or forecasts in the prospectus, and include appropriate warnings about there being no assurance of such returns being achieved when that is the case.

In particular, we note that section 5.4.3 of the CBPA as set out above would conflict with section 3.7 of the RDPA which prohibits any form of income statistics that are predictions, projections, or forecasts; and words such as "targeted", "expected", "potential", and any other forward-looking language to describe an income statistic in advertisements.
We also wish to highlight that the list of disclosures required in section 2 of the RDPA before a fund can make an advertisement containing income statistics is also largely inapplicable to REITs.

Hence, it is in our view that REITs should be specifically exempt from compliance with the new RDPA, but instead take reference with regards to income statistics from their respective prospectuses.

Question 6: MAS seeks comments on the proposal to require a REIT to calculate WALE based on the date of commencement of the leases.

We agree that a REIT should calculate WALE based on the commencement of the leases, as this will better reflect the duration of revenue contributions from the respective leases.

Question 7: MAS seeks comments on the proposed requirement for a REIT to hold its first AGM within 18 months of its authorisation.

We agree that the requirement for a REIT to hold its first AGM should be within 18 months of its authorization instead of within 18 months of its constitution.

Question 8: MAS seeks comments on the proposal to allow all funds, except property funds and hedge funds, to pay out redemption proceeds within 7 business days from the receipt of the redemption request. N.A.

Question 9: MAS seek comments on the proposal to replace the phrase "passing rents of the underlying sub-leases" in the CIS Code with the phrase "market rents of the underlying sub-leases at the time of entry or renewal of the master lease arrangement", where "market rent" is defined using existing valuation standards.

We agree with the proposed change in respect of paragraph 11.1(o) of the PFA, to provide more clarity on how to determine if embedded income support is present in a master lease arrangement.

We also note that the phrase "actual amount of rents from the underlying leases" in paragraph 11.1(o) of the PFA should be changed to "market rents of the underlying subleases at the time of entry or renewal of the master lease arrangement" in order to maintain consistency with the change of phrase in the Guidance note.

Question 10: MAS seeks comments on the proposal to allow an SGX-listed REIT to issue summary financial statements to unitholders in place of full financial statements and report.

We agree with the proposed clarification in the PFA that an SGX-listed REIT may issue summary financial statements to unitholders in place of the full financial statements and report, similar to SGX-listed companies.

Question 11: MAS seeks comments on the proposals to allow a REIT to also send its accounts and reports to unitholders by electronic means.

We agree with the proposed clarification that a REIT may send its accounts and reports to unitholders by electronic means, as provided by Chapter 2.3(b) of the CIS Code.