RESPONSE TO CONSULTATION PAPER

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

General comments:

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.

Our clients, the World Gold Council advocates that the permissible set of benchmarks should be extended beyond the LBMA loco London prices. The LBMA prices will be complemented next year by exchange-traded spot settlement prices published by the London Metal Exchange and potentially other infrastructure providers. Moreover, Asian trading centres are actively promoting local benchmark prices that reflect the dynamics of local demand and supply. Examples of this include the Shanghai Gold Benchmark published by the Shanghai Gold Exchange and the Singapore Gold Benchmark being explored by the Singapore Bullion Market Association. Other viable reference prices include the COMEX active month contract settlement price, which is widely used as a proxy for the spot price of gold

Our client agrees that any reference price must be robust and meet IOSCO benchmark principles. However, our client is of the view that product providers should be given flexibility in determining which specific benchmark best matches the characteristics and currency denomination of a particular investment product.

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

Clifford Chance has no comments on this proposal.

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.

Clifford Chance has no comments on this proposal.

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

If the MAS' proposal is implemented, recognised funds will have to comply with the disclosure obligations (i) in its home jurisdiction; (ii) in Singapore under the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations; and (iii) in Singapore under the Code on Collective Investment Schemes.

Authorised funds are currently only subject to the disclosure obligations under the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations and Code on Collective Investment Schemes.

The difference in disclosure requirements between authorised funds and recognised funds has always stemmed from the fact that recognised funds are already regulated in their home jurisdiction by their home regulator and subject to the laws and regulations in their home jurisdiction.

We respectfully submit that recognised schemes should not need to comply with the Code on Collective Investment Schemes on the basis that they are typically already subject to more onerous and extensive disclosure obligations in their home jurisdiction (i.e. under UCITS laws).

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.

Clifford Chance supports this proposal because it would create a level playing field for all advertisements issued by fund managers.

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

Clifford Chance has no comments on this proposal.

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

Clifford Chance has no comments on this proposal.

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.

Clifford Chance supports this proposal because in our experience (and as noted by the MAS in the consultation paper) fund managers do find the 4 business-day redemption period for bond and money market funds to be operationally challenging because managers will need to maintain higher cash position which may compromise fund performance.

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.

Clifford Chance has no comments on this proposal.

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.

Clifford Chance has no comments on this proposal.

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

Clifford Chance has no comments on this proposal.