Date: 12 December 2016

RESPONSE TO CONSULTATION PAPER

Consultation topic:	Proposed Amendments to Code on Collective Investment Schemes
Name[1]/Organisation: [1] if responding in a personal capacity	Respondent D

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.

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

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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.

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

We humbly request that the MAS re-considers its proposal to extend the additional disclosure requirements for semi-annual and annual reports to Recognised funds. This is because, unlike the Singapore prospectus of a Recognised fund, which is prepared and issued specifically for Singapore investors, Recognised funds would, as far as we are aware, generally issue the same set of semi-annual and annual reports to all holders globally. Recognised funds may therefore have practical difficulties in complying with the proposed additional Singapore disclosure requirements for semi-annual and annual reports of their Recognised funds, particularly if such disclosures are currently not required for semi-annual and annual reports in the home jurisdiction of the relevant Recognised fund or are subject to the approval of or clearance with the home regulator or the auditors/accounting body in the home jurisdiction.

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 highlight that we believe that most managers of Recognised funds are not existing IMAS members. Such managers may therefore not be familiar with the CBPA and the RDPA or have had the chance to consider or comment on the requirements therein. As such, we humbly request that the MAS considers seeking the views of offshore managers on the CBPA and the RDPA before requiring advertisements of Recognised funds to comply with the CBPA and the RDPA.

As regards to REITs in Singapore which are also authorised schemes, given that REITs are already required to comply with the advertising requirements as set out in the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 ("**SFR(CIS)**"), we submit that advertisements by REITs should not be subject to further requirements which are not imposed on by other companies or business trusts listed on the Singapore Exchange. In addition, REITs as a listed entity (like listed companies and business trusts and unlike traditional unlisted funds) are required to issue regular announcements (relating to results and material developments) and we would humbly request that these regulatory announcements should not be required to comply the additional requirements of the CBPA and the RDPA, which are again not imposed on by other companies or business trusts listed on the Singapore Exchange.

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 the defining the computation of the WALE would standardise the practice. However, we would like to highlight that the drafting of proposed amendments should be precise and refer to the commencement of the leases as opposed to "date of commencement of the revenue attributed to the lease" to avoid any potential confusion as to whether rent free periods is a factor to be taken into account for the computation of the WALE.

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 with the proposed requirement for a REIT to hold its first AGM within 18 months of its authorisation.

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.

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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 seek the clarification of the MAS regarding the definition of "**market rents of the underlying sub-leases**". Does it refers to (i) the average market rent which the property can fetch based on the current market rent or (ii) the actual average rent of the property based on the actual rentals payable under the sub-leases, regardless of the market rent. In addition, if it is based on the actual rentals payable under the sub-leases, is it computed based on the space which is leased out or the entire gross lettable area of the property, even those areas which are empty.

On a separate note, we would be grateful if the MAS could confirm that the guidance note is not intended to apply to hospitality trusts whose mater lease rent is typically structured based on a base and a variable component and should also not apply to instances where there are sound commercial reasons for the REIT's tenant to be willing to a higher master lease rent than the underlying rent that the REIT's tenant is able to lease out (for example,

where the master lessee is leasing the property for its own business operations and is only leasing out the excess space to sub-tenants).

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 that SGX-listed REITs should be able to issue summary financial statements to unitholders in place of full financial statements and report. However, we are of the view that similar to the Companies Act rules relating to the content of the summary financial statements for REITs should be clearly set out, similar to the Companies (Summary Financial Statement) Regulations.

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 that REITs should be able to send its accounts and reports to unitholders by electronic means.