RESPONSE TO CONSULTATION PAPER

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

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.

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

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.

We would like to clarify if this additional disclosure requirement will be incorporated into paragraph 8.9 of Appendix 1 of the CIS Code, and hence be applicable to recognised funds as proposed in paragraph 3.6 of the consultation paper. Based on our knowledge, these additional disclosures (items (d) to (g) in paragraph 3.4) proposed by the MAS are currently not required under Luxembourg CSSF's rules.

We note that various other regulators (e.g. Hong Kong Securities and Futures Commission) recognises that the financial reports of funds domiciled in certain overseas jurisdictions (such as Luxembourg) may vary in content, and they would generally review such reports on the basis that they already comply in substance with the local disclosure contents. Imposing additional disclosure requirements to the financial report of recognised schemes would invariably add to the fund's reporting/auditing costs (therefore decreasing

investors' returns) and may also give rise to other potential issues regarding disclosure requirements of the home regulator.

For the reasons mentioned above, we are not in favour of this proposal being applied to offshore funds.

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

(i) For recognised funds, the Singapore offering documents currently consist of a Singapore Prospectus being appended to a Luxembourg prospectus. We wish to clarify whether the additional disclosures are required to be specifically set out in the Singapore Prospectus, or whether it can be included as part of the Luxembourg prospectus. Our view is that it should not matter in which prospectus the disclosures appear as both the Singapore prospectus and the Luxembourg prospectus form a complete offering document for Singapore purposes.

(ii) We note that various other regulators (e.g. Hong Kong Securities and Futures Commission) recognises that the financial reports of funds domiciled in certain overseas jurisdictions (such as Luxembourg) may vary in content, and they would generally review such reports on the basis that they already comply in substance with the local disclosure contents. Imposing additional disclosure requirements to the financial report of recognised schemes would invariably add to the fund's reporting/auditing costs (therefore decreasing investors' returns) and may also give rise to other potential issues regarding disclosure requirements of the home regulator. We are therefore not in favour of this proposal.

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.

Before requiring managers of Authorised and Recognised funds adhere to the RDPA in respect of their advertisement on funds, we are of the view that the RDPA should be brought before the industry for wider consultation. After all, the MAS' proposal will similarly apply to ILP sub-funds as stated in paragraph 1.3 of the consultation paper.

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

Question 7: MAS seeks comments on 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.

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.

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.

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