



Monetary Authority of Singapore

**FREQUENTLY ASKED QUESTIONS ON
REPEAL OF THE REGULATORY REGIME FOR REGISTERED
FUND MANAGEMENT COMPANIES**

Key Terms

FMC	Fund management company
RFMC	Registered Fund Management Company
LFMC	Licensed Fund Management Company or a holder of a capital markets services licence for fund management
A/I LFMC	LFMC restricted to serving accredited and institutional investors
VCFM	Venture Capital Fund Manager
SFA	Securities and Futures Act 2001
SF(LCB)R	Securities and Futures (Licensing and Conduct of Business) Regulations
SF(FMR)R	Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations
AUM	Assets under management
AUM Cap	Limit of S\$250 million of AUM applicable to RFMCs which become A/I LFMCs through Form 1AR applications
Repeal Date	Date on which the regulatory regime for RFMCs is repealed
CeL	Corporate e-Lodgement system

FAQs

1. When will the RFMC regime be repealed?

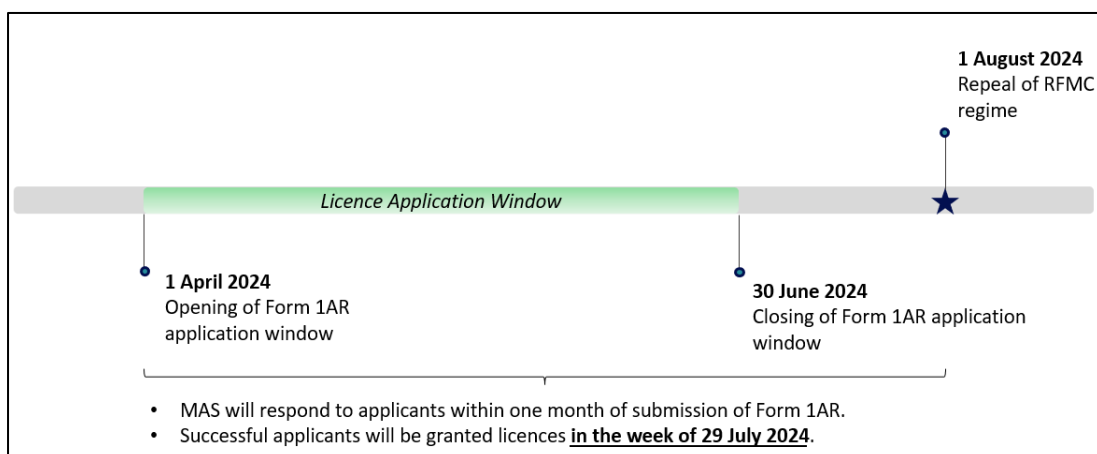
The regime is targeted to be repealed on 1 August 2024.

2. What does an RFMC need to do if it wishes to continue carrying on regulated fund management activity after the regime is repealed?

Existing RFMCs intending to continue with regulated fund management activity from 1 August 2024 onwards must apply to be an A/I LFMC by completing and submitting Form 1AR via <https://go.gov.sg/Form1AR> between 1 April 2024 and 30 June 2024. No supporting documents are required at the point of submitting Form 1AR. However, applicants must be prepared to provide additional documentation in support of the application if requested by MAS.

MAS will inform RFMCs of the outcome of their Form 1AR applications within a month of submission. Successful applicants will be issued a licence within the week of 29 July 2024 to become A/I LFMCs, with the AUM Cap. **RFMCs are encouraged to submit Form 1AR applications early; RFMCs making submissions near the deadline may not be able to secure a licence before the Repeal Date if additional documentation is required.**

The diagram below depicts the timeline of events leading up to the repeal.



3. What types of additional documentation could MAS request during the Form 1AR application process?

MAS may request documents to verify the information declared by the FMC, for example its AUM and investors.

4. Should the AUM be computed on a gross or net basis?

AUM, which refers to “managed assets” as defined in the licence condition for the AUM Cap set out in Form 1AR, should be computed on a gross basis, i.e. without any deduction for debt or leverage.

5. Does an RFMC need to make any changes to its operations during the Form 1AR application process?

Throughout the application process, RFMCs can continue operating without disruptions. During this period, RFMCs will continue to be subject to regulatory requirements applicable to RFMCs. Upon being issued a licence, the regulatory requirements for A/I LFMCs will take immediate effect. RFMCs are encouraged to make appropriate preparations ahead of being granted the licence, for example, by familiarising themselves with the regulatory requirements applicable to LFMCs.

6. What determines if the Form 1AR application will be successful?

MAS will approve a Form 1AR application if the RFMC:

- (a) has managed assets attributable to third-party investors in the six months immediately preceding the submission of the form to MAS. This requirement does not apply if the RFMC is registered for six months or less as at the submission date;
- (b) submits Form 1AR between 1 April 2024 and 30 June 2024; and
- (c) furnishes supporting documents to MAS, if requested, to satisfactorily address MAS’ queries.

7. What happens if the Form 1AR application is unsuccessful? Can a company re-apply for a regulatory status if it intends to conduct fund management activity again?

MAS will not issue licences to RFMCs whose Form 1AR applications are unsuccessful, i.e. when any of the factors set out in FAQ 6 above are not met. When the RFMC regime is repealed, these entities will be in breach of the regulatory requirements if they continue to carry out fund management activity under the SFA. There will not be an appeal process for unsuccessful Form 1AR applications.

RFMCs which intend to cease their fund management business should file Form 24A and ensure an orderly winding down of their business operations before 1 August 2024¹.

Companies which have ceased to be RFMCs may apply for a licence (via Form 1A or Form 1V) at a later stage if it intends to conduct regulated fund management activity again.

¹ As stated in item 25 of the FAQs on the Licensing and Registration of Fund Management Companies, this includes but is not limited to: (i) putting in place communication plans to ensure sufficient notice period has been given to its customers, business partners and other relevant stakeholders regarding its cessation; and (ii) discharging all customer obligations and ensuring that customer assets and/or moneys have been accounted for and returned to customers before it ceases.

8. If MAS approves a Form 1AR application, does it indicate that MAS has no concerns with the RFMC's regulatory track record and internal controls?

While RFMCs with ongoing regulatory issues can apply to be A/I LFMCs, MAS' approval of the Form 1AR application does not mean that such ongoing regulatory issues at the RFMC have been resolved. Neither does it mean that MAS is satisfied with the robustness of the RFMC's internal controls. These RFMCs will be required to complete the remediation of any ongoing issues post-licensing.

9. What will happen to the representatives of RFMCs that become A/I LFMCs through Form 1AR applications? Is there a cut-off date by which RFMCs are to inform MAS of changes in representatives?

Exempt representatives² of RFMCs will become appointed representatives³ on the same date that the RFMC is licensed. MAS will publish the names of appointed representatives on the MAS Register of Representatives, based on the information provided by RFMCs in their past Form 23A notifications to MAS. There is no need for the RFMC to file additional documents for their representatives. RFMCs should ensure that all of their representatives are fit and proper, and meet the requirements of the Notice on Competency Requirements for Representatives of Holders of Capital Markets Services Licence and Exempt Financial Institutions (SFA 04-N22) prior to licensing, i.e. representatives must (a) be at least 21 years old; and (b) have qualifications higher than or equal to at least 4 GCE "O" Level credit passes.

From 16 July 2024, CeL will no longer be able to accept Form 23A submissions. To ensure that the MAS Register of Representatives accurately reflects the particulars of these representatives upon licensing, RFMCs should plan ahead to ensure that all changes to their representatives or to their particulars occurring before they become A/I LFMCs are updated via Form 23A, latest **by 15 July 2024**. For avoidance of doubt, representative appointments made after licensing must be notified to MAS through Form 3A, for which a lodgement fee would be payable.

10. What will happen to applicants that have submitted RFMC applications (via Form 22A) before 1 January 2024 and have not obtained in-principle approval or been registered by 1 August 2024? Do they need to submit Form 1AR?

RFMC applications submitted before 1 January 2024 will remain valid after 1 August 2024. No further action is required of such applicants at this juncture. MAS will request successful applicants to submit Form 1AR to be licensed as A/I LFMCs, with the AUM Cap.

² Representatives of RFMCs are currently representatives of exempt persons under section 99B(1)(d) of the SFA.

³ As defined under section 99D(1) of the SFA.

11. Do RFMCs that have submitted applications to be upgraded to an A/I LFMC or VCFM (via Form 1A or Form 1V) prior to 1 August 2024, need to submit Form 1AR?

Yes, these RFMCs should still submit Form 1AR by 30 June 2024. This is to ensure continuity of the RFMC's regulatory status during the Form 1A/Form 1V application review period, as MAS generally expects to take around 6 months to review Form 1A and Form 1V applications.

- If the RFMC becomes an A/I LFMC before Repeal Date following a successful Form 1A application, its Form 1AR application will be invalidated; it will continue to be an A/I LFMC without the AUM Cap. Otherwise, the RFMC will first become an A/I LFMC with the AUM Cap before Repeal Date (assuming its Form 1AR application is successful). If MAS approves its Form 1A application subsequently, the AUM Cap will be lifted.
- If the RFMC becomes a VCFM before Repeal Date following a successful Form 1V application, its Form 1AR application will be invalidated; it will continue to be a VCFM. Otherwise, the RFMC will first become an A/I LFMC with the AUM Cap before Repeal Date (assuming its Form 1AR application is successful). If MAS approves its Form 1V application subsequently, the AUM Cap will be lifted and the FMC will be subject to requirements specific to VCFMs.

12. Can an RFMC apply to become a VCFM instead of an A/I LFMC, using the Form 1AR?

The Form 1AR is meant for RFMCs to apply to become an A/I LFMC. An RFMC that wishes to become a VCFM should apply via Form 1V as per current practice. Please refer to FAQ 11 for implications should an RFMC submit a Form 1V application prior to the Repeal Date.

13. Why are RFMCs subject to the AUM Cap even after they have obtained a licence to become an A/I LFMC?

Most RFMCs operate far below the AUM Cap and tend to be set up to handle smaller pools of assets, with corresponding simpler internal controls and staffing arrangements. As the Form 1AR application review process is simplified, the AUM Cap serves as a safeguard until MAS has assessed that the FMC has adequate risk management and controls in place to handle a larger pool of assets. In assessing the readiness of FMCs to expand in terms of AUM or business model, MAS takes into consideration the factors set out in FAQ 14 below.

14. How can the AUM Cap be lifted post-licensing?

The AUM Cap will be imposed by way of a licence condition. A/I LFMCs can submit a request to MAS to lift the AUM Cap immediately upon licensing if needed. The request form will be made available on MAS' website and the Compliance Toolkit for Approvals, Notifications and Other Regulatory Submissions to MAS for Fund Managers before Repeal Date.

When assessing applications to lift the AUM Cap, MAS will consider factors that include but are not limited to:

- (a) The FMC's regulatory compliance record which takes into account the frequency and severity of any past regulatory breaches, complaints made by investors or third parties against the FMC or its management, and the FMC's receptivity and willingness to address regulatory issues that were highlighted to the FMC's management;

- (b) The FMC’s internal controls, risk management and compliance arrangements to support its intended business expansion. MAS may require independent audits should there be concerns over the FMC’s ability to maintain effective risk management and controls over its fund management activities;
- (c) Stability of the FMC’s board of directors, Chief Executive Officer and senior management team; and
- (d) Extent and nature of changes to the FMC’s business model and investment strategy.

15. What should an RFMC do if it expects its AUM to exceed S\$250 million before 1 August 2024? Is the RFMC required to submit Form 1AR or Form 1A?

At all times, an RFMC may submit an application via Form 1A to be upgraded to an A/I LFMC without the AUM Cap. However, the RFMC must still submit Form 1AR within the application window to secure a licence before the Repeal Date, as MAS’ review of the Form 1A application may continue past the Repeal Date. The AUM Cap will be lifted once MAS is satisfied that the FMC is ready to expand its AUM, based on the factors set out in FAQ 14 above.

As explained in FAQ 11 above, if the Form 1A application is successful and the licence is issued prior to the repeal, the RFMC will be granted a fund management licence without an AUM cap.

16. Where can RFMCs find out about regulatory requirements applicable after licensing?

A/I LFMC regulatory requirements are set out in the SFA and its subsidiary legislation such as the SF(LCB)R. The following resources available on MAS’ website to provide guidance on A/I LFMC regulatory requirements:

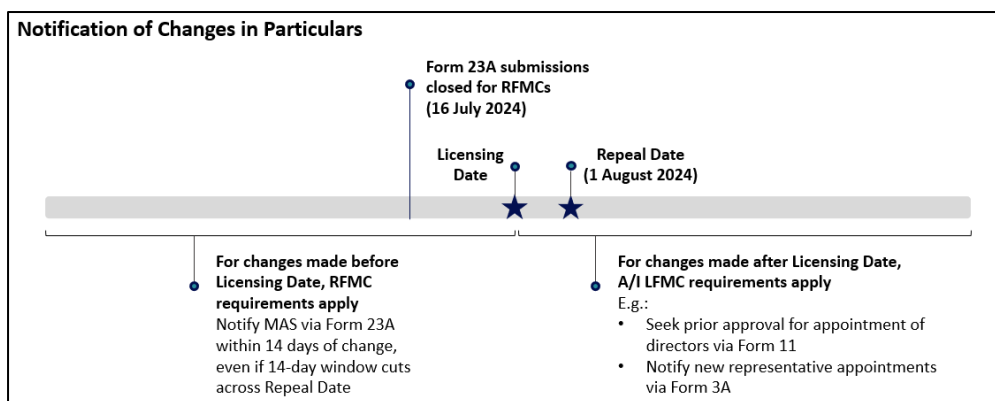
- (a) Compliance Toolkit for Approvals, Notifications and Other Regulatory Submissions to MAS for Fund Managers;
- (b) Guidelines on Licensing, Registration and Conduct of Business for Fund Management Companies; and
- (c) FAQs on the Licensing and Registration of Fund Management Companies.

17. Will RFMC reporting requirements still apply after the Repeal Date?

The following RFMC reporting requirements that span the Repeal Date will remain applicable, even after an RFMC becomes an A/I LFMC:

- (a) Changes in particulars that occur before the date on which the RFMC becomes an A/I LFMC (Licensing Date)

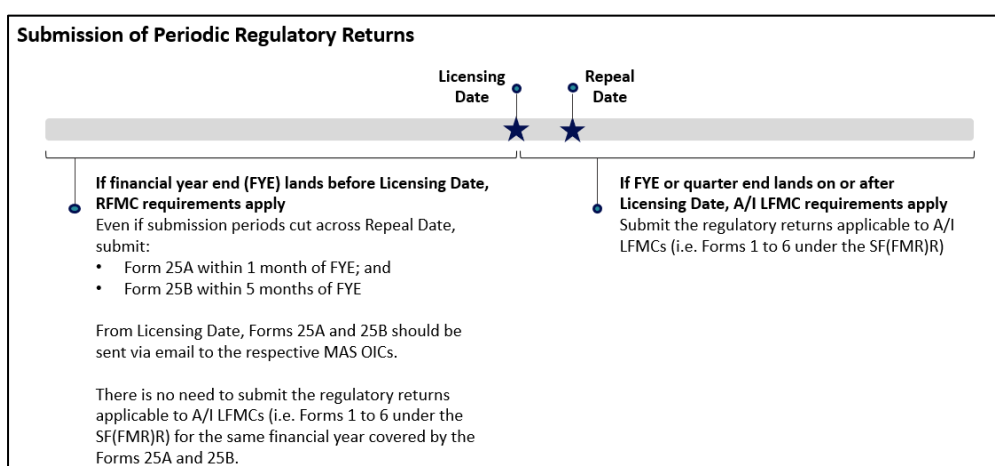
The FMC must comply with existing RFMC requirements by submitting Form 23A within 14 days of the change, even if the 14-day period crosses the Repeal Date. For changes in particulars occurring after the Licensing Date, requirements applicable to A/I LFMCs will apply, which include seeking prior approval for director appointments. The diagram below illustrates this.



From 16 July 2024, CeL will no longer be able to accept Form 23A submissions. To ensure that the MAS Register of Representatives accurately reflects the particulars of these representatives upon licensing, RFMCs should plan ahead to ensure that all changes to their representatives or to their particulars occurring before they become A/I LFMCs are updated via Form 23A, latest **by 15 July 2024**.

(b) Submission of annual regulatory returns for financial year ending before Licensing Date

The FMC must comply with existing RFMC requirements by submitting (i) an annual declaration via Form 25A within one month from financial year end, and (ii) an auditor’s report via Form 25B no later than 5 months from financial year end, even if the respective submission periods cross the Repeal Date. From the Licensing Date onwards, Forms 25A and 25B should be sent via email to the FMC’s MAS officer-in-charge. Having submitted Forms 25A and 25B, the FMC does not have to additionally submit regulatory returns required of an A/I LFM⁴ for the same financial year already covered by the two forms. The diagram below illustrates this.



⁴ This refers to forms specified under the SF(FMR)R.

18. Can RFMCs becoming A/I LFMCs have additional time to comply with A/I LFMC requirements?

As RFMCs qualifying to be A/I LFMCs through Form 1AR applications would only receive licences in July 2024, there are several months to make preparations to comply with A/I LFMC requirements. FMCs are encouraged to seek assistance from professional compliance service providers or legal advisers with relevant expertise, should they require assistance with the A/I LFMC regulatory obligations. RFMCs should also take immediate steps to enhance internal policies and processes to comply with incremental regulatory requirements such as the increased reporting frequency for A/I LFMCs.

19. Since an RFMC is expected to be licensed in the week of 29 July 2024 if its Form 1AR application is successful, when would the quarterly returns requirement under the SF(FMR)R start applying? Does the FMC have to file returns for the quarter ended 30 June 2024?

The quarterly returns requirement is not applicable to RFMCs. Since the RFMC is only licensed after the quarter ending 30 June 2024, the quarterly returns requirement will apply from the next quarter onwards, i.e. for the quarter ending 30 September 2024.

20. In Section 3 of Form 1AR, the RFMC is required to indicate the number of underlying investors of funds/mandates. How should this number be reported if there are investors with (i) multiple accounts (e.g. account in individual's name, account under a trust structure and account under a personal investment company), or (ii) joint accounts (e.g. joint account with three joint account holders)?

Where there are investors with multiple accounts or joint accounts, reporting should be based on the specific name(s) that the account is registered under. For example:

- If the RFMC has an individual investor who holds an account in his/her own name, a second account under a trust structure and a third account under a personal investment company, the RFMC should report a total of 3 unique investors in Form 1AR.
- If the RFMC manages a joint account with 3 joint account holders, the RFMC should report a total of 3 unique investors in Form 1AR.

21. Will the amount of AUM declared in Form 1AR affect the outcome of the application? Is there a minimum amount of AUM required for approval?

An RFMC must have a meaningful amount of third-party AUM to qualify to be an A/I LFMC. This means that the AUM cannot be made up entirely by "proprietary assets" or be so low as to raise concerns over the RFMC's viability. "Proprietary assets" in the context of this item generally refer to assets managed by the RFMC which ultimately belong to persons related to the RFMC (e.g. related corporations, directors, shareholders and employees of the RFMC).

- 22. If an RFMC acts as a sub-adviser to its related entities in respect of certain funds or mandates, would the AUM of these funds or mandates be considered as “proprietary assets”?**

Generally, a “look-through” approach is adopted for sub-management or sub-advisory arrangements. Where the underlying investors of such funds or mandates are related to the RFMC, the AUM attributable to these funds/mandates should be considered as “proprietary assets”.

- 23. In Section 4 of Form 1AR, one of the required declarations (item 17) begins with “We have submitted Form 23A – Notice of Change of Particulars for an RFMC via MASNET CeL, to notify the Authority of all individuals who are existing representatives of the Company, prior to date of this Form...”. Does this portion of the declaration require the RFMC to submit Form 23A before submitting or together with Form 1AR, setting out all of the RFMC’s existing representatives?**

This portion of the declaration requires the RFMC to confirm that it has been filing Form 23As on a timely basis to update MAS on changes to its representatives, before submitting Form 1AR. The RFMC does not necessarily have to file a fresh Form 23A before submitting Form 1AR, unless it is due to notify MAS of changes in representatives. The RFMC should submit Form 23A through CeL if need be; it should not append Form 23A to its Form 1AR application.

- 24. Licence condition 14 in Section 5 of Form 1AR states that the licensee “shall provide MAS with a Letter of Responsibility, Letter of Undertaking, Banker's Guarantee and/or Professional Indemnity Insurance, as may be required by MAS and in such form as MAS may require”. Does the RFMC have to provide such documents as part of a Form 1AR application?**

The RFMC does not have to provide such documents as part of a Form 1AR application. Upon licensing, the FMC is required to provide such documents if requested by MAS.

- 25. Are service providers such as law firms permitted to submit Form 1AR on behalf of the RFMCs they are acting for? If this is permitted, can the submission be made using the Corppass account of the service provider?**

Yes, a service provider may submit Form 1AR on behalf of the RFMC it is acting for, using the service provider’s Corppass account. That said, the signed declaration provided in the submission must be made by two directors or a director and a company secretary of the RFMC; the service provider cannot provide the signed declaration on behalf of the RFMC’s principals.

- 26. Are there any fees required for Form 1AR applications?**

Fees are not required for Form 1AR applications. Upon licensing, A/I LFMC annual licence and representative fees will be charged on a pro-rated basis.

27. Is there action required for our access to MASNET?

All RFMCs must clean up their MASNET Accounts assigned under the RFMC **by 30 June 2024**. This is to ensure that valid MASNET Liaison Officers are available to grant the necessary application access if/when it becomes an A/I LFMC. Please note that subscription fees will be charged for all existing MASNET accounts, and no refunds will be made. As such, RFMCs should ensure that it removes any outdated accounts (users who are still subscribed to MASNET but have left the company) by 30 June 2024. Please refer to the Appendix for steps to manage MASNET accounts.

28. What should I do when my company is left with only one MASNET Liaison Officer (LO) or has no MASNET LO?

The MASNET LO can designate an existing MASNET user for creating and deleting accounts. If there are no LOs or only one LO left without existing MASNET users, please contact MASNET Helpdesk (at 6225 5577 or helpdesk@mas.gov.sg from Mondays to Fridays, 9am to 7pm) for assistance and submit the [MNT-06 Form](#) along with the required supporting documents.

Appendix – Instructions to Configure User Settings to Grant Systems Access

Access to MASNET

Assigning application/MASNET Liaison Officer (LO) role (only available to MASNET LO)

No action is required for existing users. For new users, MASNET LO has to assign the requisite roles to the users who require access to Misconduct Reporting System (MRS) and Corporations and Representatives (CoRe) system by following the steps below:

- a) Log in to <https://masnet.mas.gov.sg/> using your MASNET Account.
- b) Click on *My Account* to access *MASNET Administration Portal*.
- c) Click on *Search Accounts* to go to *Search Account* page.
- d) Click on *Show All User* button under the *Search Account* page.
- e) Select the user to grant the role. There are several sections in the *Update Account* page:
 - Account Identification
 - Personal
 - Profiles
 - Corppass Identity
- f) Click on *Profiles* to display the *Profile Details* page (Profile - <login ID>). There are several sections in the *Profile Detail* page:
 - Profile
 - Company Info
 - IDM Roles
 - Application Roles

[For application roles]

- a) Click *Add Application Roles* (MAF_RNF_MRS for MRS or MAF_CoRe for CoRe or MAF_EReturns for MAS Returns) to assign roles for applications to the user.
- b) Select the *Base* and click *Add*.
- c) If the roles are added to LO's own account, please log out and log in again to access the application.

[For MASNET LO role]

- a) Click *Add IDM Roles* to assign MASNET_LO roles to existing MASNET users for creating and deleting accounts.
- b) Select *MASNET_LO* and click *Add*.
- c) The affected account should log out and log in again to the *MASNET Administration Portal* to see the *Dashboard* as the home page.

Account Management for MASNET

Deleting an account (only available to MASNET LO)

- a) Log in to <https://masnet.mas.gov.sg/> using your MASNET account.
- b) Click on *My Account* to access MASNET Administration Portal.
- c) Click on *Search Accounts* to go to *Search Account* page.
- d) Click on *Show All User* button under the *Search Account* page.
- e) Select the user to show user's detail.
- f) On the user details page, click on *Terminate*.
- g) There will be a pop-up window requesting confirmation of the termination request. Click on *Confirm* to send request to the other MASNET LO to approve. At the same time, the request will be show under *My Requests*.

Requesting a new MASNET account (only available to MASNET LO)

- a) Log in to <https://masnet.mas.gov.sg/> using your MASNET Account.
- b) Click on *My Account* to access *MASNET Administration Portal*.
- c) Click on *Request Account* to go to *Request Account* page.
- d) Enter the information for the user.
Note: Ensure the user has Corppass account and granted with MASNET Digital Service on Corppass website. Please refer to guide [here](#).
- e) Click *Submit* and the request will be sent for approval. At the same time, the request will be shown in *My Requests*. The request will be routed to the other MASNET LO for approval.
Note: The account will be created when another MASNET LO from the company approves the request from *My Task* list.

Approving/rejecting a request (only available to MASNET LO)

- a) Log in to <https://masnet.mas.gov.sg/> using your MASNET Account.
- b) Click on *My Account* to access *MASNET Administration Portal*.
- c) The home page will be the *Dashboard*.
- d) Click on the task titled "Provision User Account" or the corresponding "Start" to view request details.
- e) Check the details of the task. Put some remarks (optionally) and click *Approve/Reject*. A pop-up shows to confirm the approval/reject operation.
- f) Click *Confirm* and the request will be approved or rejected.

For more information on MASNET access, please refer to user guide [here](#).

Access to Misconduct Reporting System (MRS)

MASNET LO has to grant user access by following the steps below for all users who require access to MRS:

- a) Login to MASNET Portal <https://masnet.mas.gov.sg/portal>
- b) Under the *Admin* tab, select *LO Access Control Administration*.
- c) Under *Misconduct Reporting*, click "here" to access the service. If you encounter any error during this step, please clear cache, close all browsers, and repeat this step again.
- d) You will be directed to *MRS Access Control Administration* page.
- e) Add User and grant access as Creator or Approver for each form.

User roles	Accessible functions
Creator	<ul style="list-style-type: none"> • Create new reports • Save reports as "Draft" • Edit reports which are in "Draft" stage • Send reports for approval to the Approver
Approver	<ul style="list-style-type: none"> • Create new reports • Save reports as "Draft" • Edit reports which are in "Draft" stage • Approve "Pending for Approval" reports • Submit reports to MAS

Access to Corporations and Representatives (CoRe) System

MASNET LO has to grant user access by following the steps below for all users who require access to CoRe system:

- a) Login to CoRe system via MASNET Portal <https://masnet.mas.gov.sg/portal>
- b) Under the *Admin* tab, select *LO Access Control Administration*.
- c) Under CoRe system, click “here” to access the service. If you encounter any error during this step, please clear cache, close all browsers, and repeat this step again.
- d) You will be directed to CoRe system. Under the *Administration* tab, select *Liaison Officer Management*.
- e) Click on *Add New User* and a pop-up page will appear.
- f) Select the functions which the user requires access. To access the eLicence issued to the company, the user will require access to the *Licence Issuance* function.
- g) For users who are given access to the *Search and View Notification and Representatives*, LO may also assign creator or approver roles for each notification form to be submitted.

For more information on CoRe system, please refer to the user guide [here](#). The user guide for bulk filing function is available [here](#).

[Note: Fee module mentioned in the user guide is no longer available in CoRe system, following the implementation of Bill Aggregator in October 2021.]

For Assistance

For assistance with system-related issues, please contact MASNET Helpdesk at 6225 5577 or helpdesk@mas.gov.sg from Mondays to Fridays, 9am to 7pm.