



Monetary Authority of Singapore

SECURITIES AND FUTURES ACT 2001

**NOTICE ON REPORTING OF MISCONDUCT OF
REPRESENTATIVES BY HOLDERS OF CAPITAL MARKETS
SERVICES LICENCE AND EXEMPT PERSONS**

Notice No: SFA 04-N24

Issue Date: 30 December 2025

NOTICE ON REPORTING OF MISCONDUCT OF REPRESENTATIVES BY HOLDERS OF CAPITAL MARKETS SERVICES LICENCE AND EXEMPT PERSONS

Introduction

1 This Notice (excluding the Annexes) is issued pursuant to section 101(1) of the Securities and Futures Act 2001 ("the Act") and takes effect from 1 January 2027. Notice No. SFA 04-N11 issued on 26 November 2010 is cancelled with effect from 1 January 2027.

2 This Notice shall apply to all holders of a capital markets services ("CMS") licence and persons who are exempt from holding a CMS licence under section 99(1)(a), (b), (c) or (d) of the Act. It sets out the reporting requirements for the misconduct of their representatives and former representatives.

Definitions and Forms

3 For the purposes of this Notice —

“capital markets intermediary” or “CMI” means a holder of a CMS licence or a person who is exempt from holding a CMS licence under section 99(1)(a), (b), (c) or (d) of the Act;

“corrective action” means any disciplinary action taken by a CMI against its representative or former representative, or any remedial measure taken by a CMI, in respect of a misconduct;

“Investigation Report” means a report by that name which is submitted in accordance with paragraph 4;

“misconduct” means —

- (a) any act relating to any contravention of the market conduct provisions under Part 12 of the Act, such as involvement in prohibited conduct or insider trading as set out in Part 12 of the Act; or
- (b) any act involving fraud, dishonesty, illegal monetary gains, or any offence of a similar nature, such as cheating, forgery, dishonest misappropriation of monies, criminal breach of trust, bribery, money laundering and tax evasion;

“Misconduct Report” means a report by that name which is submitted in accordance with paragraph 4;

“public authority” means any body established by or under any written law and exercising powers vested therein by written law for a public purpose;

“Update Report” means a report on any update to a Misconduct Report or an Investigation Report which is submitted in accordance with paragraph 4.

4 Unless the Authority otherwise permits, any Investigation Report, Misconduct Report or Update Report required to be submitted to the Authority under this Notice must be submitted through the electronic system established by the Authority in the relevant form set out in the electronic system, and the form shall be completed in accordance with such directions as may be specified in the form and electronic system.

Submission of Misconduct Report and Investigation Report

Submission of the Misconduct Report

5 If a CMI has reasonable grounds to believe that —

- (a) its representative had committed any misconduct; or

- (b) its former representative had committed any misconduct during the period when he or she was a representative of the CMI,

the CMI must submit a Misconduct Report to the Authority, providing all the applicable information required therein in relation to the misconduct (called in this Notice “alleged misconduct”), no later than 21 calendar days, or such longer period as the Authority may allow in writing, after the date on which the CMI first has reasonable grounds to believe that which is mentioned in sub-paragraph (a) or (b).

Submission of the Investigation Report

6 If the alleged misconduct falls within paragraph (b) of the definition of “misconduct”, a CMI mentioned in paragraph 5 must —

- (a) assess whether it should lodge a police report in respect of the alleged misconduct; and
- (b) at the same time as its submission of the Misconduct Report, submit an Investigation Report to the Authority, providing all the applicable information required therein including the following:
 - (i) in the case where it has not lodged a police report by the time it submits the Misconduct Report —
 - (A) confirmation of whether it has assessed and decided not to lodge a police report or is still in the process of assessing this; and
 - (B) if it has assessed and decided not to lodge a police report, the reasons for its decision not to lodge a police report;
 - (ii) in the case where it has lodged a police report by the time it submits the Misconduct Report — the information mentioned in paragraph 8.

7 If the alleged misconduct falls outside paragraph (b) of the definition of “misconduct”, a CMI mentioned in paragraph 5 must submit an Investigation Report to the Authority —

(a) in the case where —

- (i) the CMI’s reasonable grounds mentioned in paragraph 5 are, in any way, based on or corroborated by the findings of any internal investigation¹ into the alleged misconduct at the time it submits the Misconduct Report; or
- (ii) the CMI has lodged a police report in respect of the alleged misconduct by the time it submits the Misconduct Report —

at the same time as its submission of the Misconduct Report; and

(b) in any other case, where the CMI subsequently makes findings in its internal investigation which corroborates the alleged misconduct or lodges a police report in respect of the alleged misconduct — no later than 21 calendar days, or such longer period as the Authority may allow in writing, after the date on which findings are made or the police report is lodged (as the case may be).

8 Where there is a police report lodged by the CMI, the Investigation Report submitted under paragraph 6 or 7 must provide all the following information, where available, together with a copy of the police report:

- (a) the name of the police officer investigating the case; and
- (b) the status of the police investigation and criminal proceedings (if any), including any outcome or result.

¹ A CMI may refer to the Guidelines on the Conduct of Internal Investigations in Annex A on the expectations relating to the conduct of internal investigations into any misconduct.

Updates to Misconduct Report or Investigation Report

9 Once a Misconduct Report or Investigation Report is submitted in relation to an alleged misconduct, if there is any significant development which necessitates an update to any reported or reportable information in the submitted Misconduct Report or Investigation Report or both (including a Misconduct Report or Investigation Report as updated by a previously submitted Update Report), the CMI must submit to the Authority an Update Report or Update Reports, as the case may be², no later than 21 calendar days, or such longer period as the Authority may allow in writing, after the date of occurrence of that significant development.

10 In paragraph 9, “significant development” includes, but is not limited to, the following:

- (a) the lodging of a police report by the CMI in respect of the alleged misconduct;
- (b) a decision by the CMI not to lodge a police report, if the CMI had pursuant to paragraph 6(b)(i)(A) confirmed that it was still in the process of assessing whether it should lodge a police report;
- (c) an arrival at an outcome, or a change in the outcome, of the CMI’s internal investigation into the alleged misconduct, regardless of whether this substantiates or does not substantiate the alleged misconduct;
- (d) a decision by the CMI to take, or to reverse, modify or add to, any corrective action in respect of the alleged misconduct³;
- (e) the CMI being notified or made aware, through any source, of the outcome of police investigations or criminal proceedings (if any) in respect of the alleged misconduct.

² To avoid doubt, separate Update Reports are to be provided on a Misconduct Report and on an Investigation Report as long as information arising from the significant development is reportable as part of the data fields in the applicable form for the Misconduct Report and the Investigation Report respectively. Where the information arising from the significant development is reportable as part of the data fields in the Investigation Report but not in the Misconduct Report, an Update Report is only required to update the Investigation Report and not the Misconduct Report, and vice versa.

³ A CMI may refer to the Guidelines on Corrective Action in Annex B on the expectations relating to the taking of corrective action in respect of any misconduct.

11 For a significant development mentioned in paragraph 10(a), the Update Report to the CMI's submitted Investigation Report must provide all the following information, where available, together with a copy of the police report:

- (a) the name of the police officer investigating the case; and
- (b) the status of the police investigation and criminal proceedings (if any), including any outcome or result.

12 For a significant development mentioned in paragraph 10(b), the Update Report to the CMI's submitted Investigation Report must provide the reasons for its decision not to lodge a police report.

Provision of Misconduct Report and Update Report to Representative

13 Subject to paragraph 15, the CMI must provide to the representative or former representative concerned —

- (a) a copy of the Misconduct Report, no later than 21 calendar days, or such longer period as the Authority may allow in writing, after the date of submission of the Misconduct Report to the Authority; and
- (b) where applicable, a copy of each Update Report to its submitted Misconduct Report, no later than 21 calendar days, or such longer period as the Authority may allow in writing, after the date of submission of the respective Update Report to the Authority.

14 To avoid doubt, a CMI is not required to provide to the representative or former representative, a copy of any Investigation Report or Update Report to its submitted Investigation Report, or a copy of any police report submitted to the Authority together with its Investigation Report or Update Report.

15 Paragraph 13 shall not apply if —

- (a) the CMI is acting, or is proposing to act, in connection with its internal investigation which is being, or is about to be, conducted, and the provision of the copy of the Misconduct Report or Update

Report (as the case may be) to the representative or former representative concerned is likely to prejudice that investigation or proposed investigation;

- (b) the CMI knows or has reasonable grounds to suspect that any officer of a public authority is acting or is proposing to act, in connection with an investigation which is being, or is about to be, conducted, and either —
 - (i) any officer of the public authority has requested for the CMI not to disclose to the representative or former representative information in respect of the alleged misconduct which is contained in the Misconduct Report or Update Report; or
 - (ii) the provision of the copy of the Misconduct Report or Update Report (as the case may be) to the representative or former representative concerned is likely to prejudice that investigation or proposed investigation; or
- (c) the individual concerned is a former representative and the CMI has taken reasonable steps but is unable to contact the former representative using his or her last known contact details.

16 A CMI who relies on paragraph 15(a) or (b) must provide a copy of the Misconduct Report or Update Report (as the case may be) to the representative or former representative as soon as practicable after the circumstances mentioned in that paragraph no longer apply⁴.

Keeping of Relevant Records

17 A CMI must keep proper records of —

- (a) documentary evidence that a copy of the Misconduct Report or Update Report has been provided to the representative or former representative concerned;

⁴ That is, when the provision of such copy is no longer likely to prejudice any investigation or proposed investigation, or the officer of the public authority no longer requests for the CMI not to disclose information contained in such Misconduct Report or Update Report.

- (b) its assessment on the likelihood of prejudice to any investigation, if the CMI does not provide a copy of the Misconduct Report or Update Report to the representative or former representative concerned in reliance on paragraph 15(a) or (b)(ii);
- (c) the request from the officer of the public authority, if the CMI does not provide a copy of the Misconduct Report or Update Report to the representative or former representative concerned in reliance on paragraph 15(b)(i); or
- (d) the reasonable steps taken by the CMI to contact the former representative, if the CMI does not provide a copy of the Misconduct Report or Update Report to the former representative concerned in reliance on paragraph 15(c).

18 Where a CMI conducts an internal investigation into an alleged misconduct, the CMI must keep proper records of the following, where applicable:

- (a) a summary of the facts of the case, such as the source of the allegation or suspicion, the number of customers affected, details of relevant transactions and the financial impact on the customers;
- (b) accounts from relevant parties such as the representative or former representative and the customer;
- (c) documentary evidence of the alleged misconduct;
- (d) the investigator's assessment and recommendation;
- (e) corrective action taken, and basis for the corrective action;
- (f) appeal against the corrective action, along with assessment and the outcome of the appeal.

19 A CMI must keep, for the period specified in section 102(3) of the Act, the records mentioned in paragraphs 17 and 18.

Transitional Provisions

20 Despite paragraph 5, where a CMI —

- (a) first had reasonable grounds to believe, before 1 January 2027, that any type of misconduct within the definition of “misconduct” in paragraph 3 of this Notice was committed by its representative or its former representative when he or she was its representative; and
- (b) has not submitted to the Authority a Misconduct Report, which is in the form set out at Appendix 1 of the Notice on Reporting of Misconduct of Representatives by Holders of Capital Markets Services Licence and Exempt Financial Institutions (MAS Notice No. SFA 04-N11) (“**Cancelled Notice**”), in relation to the misconduct before 1 January 2027,

the CMI must submit to the Authority a Misconduct Report in relation to the misconduct under this Notice and any other document or information that may be required under paragraphs 6 to 8 of this Notice, no later than 21 calendar days, or such longer period as the Authority may allow in writing, after 1 January 2027.

21 This Notice does not apply to or in relation to any of the following, and despite paragraph 1, the Cancelled Notice as in force immediately before 1 January 2027 continues to apply to or in relation to any of the following as if this Notice has not been issued:

- (a) any case for which a CMI submitted a Misconduct Report under the Cancelled Notice (which is in the form set out at Appendix 1 of that Notice) before 1 January 2027;
- (b) any case for which a CMI was required under the Cancelled Notice to submit a Misconduct Report (which is in the form set out at Appendix 1 of that Notice) by 31 December 2026,

save that a reference in the Cancelled Notice to “MASNET” is to MASNET or any electronic system which may be established by the Authority in place of MASNET.

Note:

Under section 101(3) of the Act, any person who contravenes any requirement specified in a direction issued by the Authority (which would include this Notice), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 and, in the case of a continuing offence, to a further fine of \$5,000 for every day or part of a day during which the offence continues after conviction.

Guidelines on the Conduct of Internal Investigations

1 A CMI is expected to conduct internal investigations once it suspects that a misconduct was or has been committed by a representative or former representative. The investigation process should take into account any appeals submitted by the representative or former representative in relation to the alleged misconduct and also incorporate relevant sources of information including the following, where applicable:

- (a) interviews with relevant parties, such as customers, and representatives or former representatives;
- (b) transactions, sales documents, historic pricing records, and correspondence between the representative and the customer.

2 The guidelines in this Annex are issued pursuant to section 321(1) of the Securities and Futures Act 2001 (“the Act”) and provide guidance to CMIs on the conduct of internal investigations into misconduct mentioned in MAS Notice SFA 04-N24 (“the Notice”). The expressions used in these guidelines have the same meanings as in the Notice. These guidelines should be read in conjunction with the provisions of the Act, the subsidiary legislation made thereunder, and other relevant legislation, notices, codes, guidelines and Frequently Asked Questions issued by the Authority. Any failure to comply with the guidelines set out in this Annex does not of itself render a CMI liable to criminal proceedings.

Guidelines on Corrective Action

1 A CMI is responsible for the conduct of its representatives. It should take appropriate corrective action including such action against its representatives or former representatives for any misconduct committed by them in relation to the provision of any regulated activity and ensure consistency in its application of corrective action.

2 The type of corrective action that a CMI may take against its representatives or former representatives in respect of any misconduct committed depends on the severity of the case and includes, but is not limited to, any one or more of the following:

- (a) suspension from conducting any regulated activity;
- (b) restitution of misappropriated monies;
- (c) fine;
- (d) warning;
- (e) demotion;
- (f) termination of the representative's employment or arrangement with the CMI;
- (g) clawback;
- (h) re-training;
- (i) enhanced supervision and monitoring.

3 A CMI should have an internal process for addressing the appeals against any corrective action.

4 A CMI should have an internal process to identify the root cause of the misconduct and implement appropriate remedial measures that include, but are

not limited to, improvement of controls, systems and processes to address the weaknesses identified which led to the misconduct.

5 The guidelines in this Annex are issued pursuant to section 321(1) of the Securities and Futures Act 2001 (“the Act”) and provide guidance to CMIs on the taking of corrective action for misconduct mentioned in MAS Notice SFA 04-N24 (“the Notice”). The expressions used in these guidelines have the same meanings as in the Notice. These guidelines should be read in conjunction with the provisions of the Act, the subsidiary legislation made thereunder, and other relevant legislation, notices, codes, guidelines and Frequently Asked Questions issued by the Authority. Any failure to comply with the guidelines set out in this Annex does not of itself render a CMI liable to criminal proceedings.