

CONSULTATION PAPER

P001 - 2021

15 March 2021

Proposed Exemption Framework for Cross-Border Business Arrangements of Capital Markets Intermediaries Involving Foreign Offices

The logo of the Monetary Authority of Singapore (MAS), consisting of the letters 'MAS' in white inside a gold circle, which is set against a dark blue square background.

MAS

Monetary Authority of Singapore

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1 Preface

1.1 On 4 December 2018, the Monetary Authority of Singapore (“MAS”) issued a consultation paper to seek feedback on the proposal to streamline the exemption framework for cross-border business arrangements between financial institutions (“FIs”) in Singapore and their foreign related corporations (“FRCs”) (such arrangements are referred to as the “FRC Arrangements”), by moving from the current ex-ante approval approach to an ex-post notification approach. MAS issued our response to the feedback received on 5 June 2020, and expressed our intention to consult on a similar exemption framework for business arrangements involving foreign head offices or branches.

1.2 MAS is thus issuing this consultation paper to seek comments on introducing an exemption for cross-border business arrangements involving foreign head offices or branches (the “proposed Branch Framework”). Part A of this consultation paper sets out the proposed scope and other elements of the proposed Branch Framework. Part B of this paper seeks comments on the proposed notification forms to be submitted to MAS at the point of commencement of the arrangement and on an ongoing basis, as well as the proposed regulations and notices, for both the proposed Branch Framework and the framework for FRC Arrangements (the “notified FRC framework”).

1.3 MAS invites comments from all FIs and interested parties on the proposed Branch Framework, as well as the proposed forms and subsidiary legislation.

Please note that all submissions received will be published and attributed to the respective respondents unless they expressly request MAS not to do so. As such, if respondents would like:

- (i) their whole submission or part of it (but not their identity), or**
- (ii) their identity along with their whole submission,**

to be kept confidential, please expressly state so in the submission to MAS. MAS will only publish non-anonymous submissions. In addition, MAS reserves the right not to publish any submission received where MAS considers it not in the public interest to do so, such as where the submission appears to be libellous or offensive.

Please submit your comments to the consultation paper by 15 April 2021 at the link: <https://form.gov.sg/60013964ba0ee20011f34023>. If you have any queries, please email FRC_Framework_Consultation@mas.gov.sg.

2 Introduction

2.1 In the December 2018 consultation, MAS had proposed to streamline the framework for FRC Arrangements, by replacing the current case-by-case approval with an ex-post notification approach. Under the Securities and Futures Act (Cap. 289) (“SFA”) and Financial Advisers Act (Cap. 110) (“FAA”), where a foreign person conducts any regulated activity partly in and partly outside Singapore, or where the conduct of the regulated activity takes place wholly outside Singapore but has a substantial and reasonably foreseeable effect in Singapore, that foreign person is required to be licensed¹. Under the proposed notified FRC framework, FRCs of FIs² in Singapore are exempt from licensing and the applicable conduct requirements when conducting regulated activities under the arrangements, provided the arrangements are notified to MAS and meet the relevant boundary conditions. The proposed notified FRC framework does not apply to a business arrangement between an FI in Singapore which is a branch or head office (collectively referred to as the “Singapore Office”) and its foreign head office and/or branch (collectively referred to as the “Foreign Office”) (such an arrangement is referred to as the “Branch Arrangement”) as they are not separate legal entities.

2.2 Currently, where the Foreign Offices conduct any regulated activity under the SFA and/or FAA partly in and partly outside Singapore, or where the conduct of the regulated activity takes place wholly outside Singapore but has a substantial and reasonably foreseeable effect in Singapore, the Foreign Offices are subject to the applicable conduct requirements under the SFA and FAA³. In addition, the representatives of the Foreign Offices who conduct regulated activities under the SFA and/or FAA on behalf of the Foreign Offices are required to be appointed as overseas-based representatives of the Singapore FI when they serve Singapore customers. MAS has received feedback from the industry that this creates an un-level playing field as unlike the Foreign Offices, FRCs operating under the FRC Arrangements are not subject to the full suite of conduct requirements under the SFA and/or FAA. Similarly, representatives operating under the Branch Arrangements are subject to more stringent entry and

¹ The requirements for licensing are stated in section 82(1) of the SFA and section 6(1) of the FAA. Section 339 of the SFA and section 90 of the FAA give the respective Acts extra-territorial effect.

² Refer to persons licensed under section 82(1) of the SFA or section 6(1) of the FAA, and persons exempt from licensing under section 99(1)(a), (b), (c) or (d) of the SFA, or paragraphs 3(1)(d) or 3A(1)(d) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (“SF(LCB)R”) or section 23 (other than subsection (1)(ea) and (f)) of the FAA.

³ No separate licensing or exemption is required for the Foreign Offices as they not separate legal entities from the FI in Singapore.

examination requirements as compared to representatives of FRCs under the FRC Arrangements, who are not required to be notified to MAS as representatives.

2.3 The consideration on level playing field also applies to dealing in over-the-counter derivatives contracts (“OTCD”). On 8 October 2018, the scope of the SFA was expanded to regulate OTCD with a transition period ending on 8 October 2021. MAS recognises that Singapore FIs may have existing arrangements with their Foreign Offices in respect of dealing in OTCD due to the global nature of OTCD markets. The difference in treatment between Branch and FRC Arrangements for dealing in OTCD will materialise when the OTCD transition period ends in October 2021.

2.4 To address these feedback, MAS is proposing to introduce an exemption framework for Branch Arrangements that is similar to the proposed notified FRC framework, which is set out in Part A of this paper.

2.5 Separately, MAS is consulting on the proposed notification forms to be submitted at the point of commencement of the arrangement and on an ongoing basis, as well as the proposed regulations and notices for the proposed Branch Framework and notified FRC framework, which are set out in Part B of this paper. The same notification forms are proposed for both types of arrangements.

PART A: REGULATORY FRAMEWORK FOR BRANCH ARRANGEMENTS

3 Proposal to Introduce a Branch Framework

3.1 MAS acknowledges that similar to FRC Arrangements, FIs have valid commercial reasons to enter into Branch Arrangements to leverage on their Foreign Offices' global network and expertise, and to provide better service to their customers. Through these arrangements, Singapore customers can access a wider range of financial products and services. Given the similarities in circumstances with FRC Arrangements, MAS proposes to introduce an exemption framework for Branch Arrangements which serves to achieve the same outcome for the Foreign Offices, as with the FRCs of the Singapore FIs under the proposed notified FRC framework. Under the proposed Branch Framework, the Foreign Offices will be exempt from the applicable business conduct requirements under the SFA and/or FAA when they conduct regulated activities under an arrangement with their Singapore Office which is notified to MAS. The Foreign Offices will also be exempt from the requirement to appoint overseas-based representatives to serve Singapore customers under the proposed Branch Framework.

3.2 With the exemptions, Singapore customers under the Branch Arrangement may not be able to avail themselves to the safeguards under the SFA and/or FAA, and may face additional legal and conduct risks, given the differences with the legal frameworks and regulatory standards in the jurisdictions in which the Foreign Offices are operating. To mitigate the potential risks to customers in Singapore which may arise under the proposed Branch Framework, the Singapore FI will be required to comply with a set of boundary conditions, similar to those under the proposed notified FRC framework.

3.3 For clarity, the proposed Branch Framework would apply where the representative is acting on behalf of the Foreign Office in carrying on the regulated activities under a business arrangement with the Singapore Office. There is no change to the current requirement for individuals based overseas and acting on behalf of the Singapore Office to be appointed as overseas-based representatives and comply with the relevant requirements. It is not MAS' intent for FIs to avail themselves to the proposed Branch Framework in such a scenario.

Question 1. MAS seeks comments on the introduction of the proposed Branch Framework, as set out in section 3.

Scope of Proposed Branch Framework

3.4 The following FIs would be able to notify MAS of their arrangements for the conduct of regulated activities under the SFA and/or FAA by their Foreign Offices:

- (i) Persons licensed under section 82(1) of the SFA (i.e. capital markets services licensees), other than persons licensed to conduct the regulated activity of fund management solely in respect of the management of portfolios of specified products on behalf of venture capital funds;
- (ii) Persons licensed under section 6(1) of the FAA (i.e. licensed financial advisers);
- (iii) Exempt persons under section 99(1)(a), (b), (c) or (d) of the SFA (i.e. exempt capital markets intermediaries);
- (iv) Exempt persons under section 23 (other than subsections (1)(ea) and (f)) of the FAA (i.e. exempt financial advisers); and
- (v) Exempt persons under paragraphs 3(1)(d) or 3A(1)(d) of the Second Schedule to the SF(LCB)R (i.e. exempt brokers).

Issuing or promulgating research analyses or reports

3.5 Under regulation 32C of the Financial Advisers Regulations (“FAR”), foreign research houses, including the FRCs of licensed or exempt financial advisers, are exempt when they conduct the financial advisory service of issuing or promulgating research analyses or reports concerning any investment product to investors in Singapore, subject to a specified safeguard⁴. Arrangements with FRCs for the provision of such a financial advisory service are thus not subject to MAS’ ex-ante approval under the current FRC framework nor be notified to MAS under the proposed notified FRC framework. To level the playing field between a foreign research house which is a FRC and one which is a Foreign Office, MAS proposes to expand regulation 32C of the FAR to also exempt Foreign Offices in respect of the same financial advisory service, subject to the same safeguard currently provided for under regulation 32C. With this proposed amendment, all arrangements concerning issuing or promulgating research analyses or reports concerning any investment product will be exempt under regulation 32C, and excluded from both the proposed Branch Framework and notified FRC framework.

⁴ Regulation 32C(1)(c) of the FAR states that the research analysis or research report shall contain a statement to the effect that recipients of the analysis or report are to contact the financial adviser in Singapore in respect of any matters arising from, or in connection with, the analysis or report.

Question 2. MAS seeks comments on the proposed scope of the Branch Framework.

Question 3. MAS seeks comments on the proposal to amend regulation 32C of the FAR to exempt Foreign Offices in respect of the financial advisory service of issuing or promulgating research analyses or reports concerning any investment product, subject to the same safeguard currently provided for under the regulation.

Notification Requirement and Boundary Conditions under Proposed Branch Framework

3.6 Given that the risks arising from Branch Arrangements are similar to those arising from FRC Arrangements, MAS is proposing to apply a similar set of boundary conditions as under the proposed notified FRC framework, with appropriate modifications, under the proposed Branch Framework to mitigate the risks from such cross-border arrangements. Having considered the feedback received on the proposed notified FRC framework, the proposed notification requirement and boundary conditions under the proposed Branch Framework are as follows:

- (i) **Notification requirement** – The Singapore FI is required to notify MAS of the arrangement with its Foreign Office and confirm its compliance with the boundary conditions within 14 days of commencement⁵ of the arrangement. On an ongoing basis, the Singapore FI will be required to notify MAS of specified changes to the arrangement within 14 days of such a change via a prescribed form. These changes include (i) addition of new Foreign Office(s) to the arrangement; (ii) changes in products/services under the arrangement; (iii) changes in the regulatory status of the Foreign Office(s) and its representatives; (iv) reduction or substantial change in the role of the Singapore FI within the arrangement; and (v) change in clientele targeted by the Foreign Office(s);

⁵ The “commencement” of an arrangement refers to the date the Foreign Office commences or intends to commence the conduct of the relevant regulated activity under the proposed arrangement. Under the SFA or FAA, a person must be appropriately licensed, regulated, or otherwise exempt, before conducting any regulated activity or providing any financial advisory service. The same principle applies to Foreign Offices seeking to conduct regulated activities or provide financial advisory services in Singapore, under an arrangement with a Singapore Office.

Boundary conditions:

- (ii) **Regulatory status of the Singapore FI** – The Singapore FI must be appropriately licensed or otherwise exempted to conduct the regulated activity under the arrangement, i.e. must fall into one of the categories under paragraph 3.4 for that regulated activity. As an exception, MAS will allow Foreign Offices to enter into an arrangement with the Singapore FI to provide product financing or custodial services under the SFA as a complement⁶ to the Singapore FI’s business of dealing in capital markets products, even if the Singapore FI itself does not carry out product financing or custodial services in its local operations;
- (iii) **Regulatory status of the Foreign Office** –
 - (a) The Foreign Office must be licensed, authorised, regulated or supervised by a regulatory body in the foreign jurisdiction where the Foreign Office is operating from. Foreign Offices that are relying on exemptions in respect of the specific activity under the Branch Arrangement but that are nonetheless licensed, authorised, regulated or supervised in the jurisdiction where they are operating from, will be allowed to conduct that specific activity under the Branch Arrangement; and
 - (b) The Foreign Office must be operating from a jurisdiction that is supervised for compliance with anti-money laundering and countering the financing of terrorism (“AML/CFT”) requirements consistent with standards set by the Financial Action Task Force (“FATF”)⁷ and a jurisdiction that is not subject to United Nations Security Council (“UNSC”) sanctions⁸;

⁶ The Singapore FI must be licensed or exempted to deal in capital markets products for the same classes of products for which the Foreign Office intends to provide product financing or custodial services under the arrangement.

⁷ The fact that a jurisdiction is a member of the FATF or a member of a FATF Styled Regional Body does not automatically mean that the jurisdiction is applying AML/CFT standards consistent with the FATF standards. In this context, regard should be given to jurisdictions that have been identified by the FATF to have strategic AML/CFT deficiencies.

⁸ If a jurisdiction becomes subject to sanctions by the UNSC which (i) relate to money laundering or terrorism financing, or (ii) are targeted at the financial sector, Branch Arrangements with foreign offices operating in that jurisdiction should be immediately discontinued. If such sanctions relate to any other reasons, Branch

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- (iv) **Permissible clientele** – Given the additional complexity in dealing with foreign persons operating under different legal frameworks and regulatory standards, the clientele under Branch Arrangements is restricted to non-retail customers, i.e. accredited investors, expert investors and institutional investors, who have the ability to better safeguard their own interests. In addition, restrictions on the types of transactions⁹ that can be undertaken as part of corporate finance advisory arrangements continue to apply. Further, as the Foreign Offices are not separate legal entities from the Singapore FI, any clientele or transaction restrictions imposed by the Authority on the Singapore FI would also apply to its Foreign Offices and hence the Branch Arrangement;
- (v) **Internal control over the arrangement** – The Singapore FI is required to have in place policies and procedures to oversee the conduct of the Foreign Offices and their representatives under the Branch Arrangements. The applicable policies and procedures include (i) keeping records relating to the arrangements with the Foreign Offices, including records of customers, transactions entered into with or on behalf of customers and copies of contracts or agreements entered into with the customers under the arrangements; (ii) maintaining a register of every representative of the Foreign Office¹⁰; (iii) conducting customer due diligence by the Singapore FI in accordance with the relevant MAS Notice

Arrangements should be suspended and a review carried out immediately. MAS should be notified of any discontinuation or suspension of Branch Arrangements, as with any other material change.

⁹ Corporate finance advisory arrangements cannot include transactions which (i) involve the provision of advice in relation to an offer of securities in respect of which a prospectus, a profile statement or an offer information statement, as the case may be, is required under Part XIII of the SFA; (ii) are subject to the General Principles and Rules in the Singapore Code on Take-overs and Mergers; or (iii) involve the provision of advice to a public company, a corporation listed on the Singapore Exchange Securities Trading Limited (“SGX”), or a corporation which is a subsidiary of a SGX-listed corporation, where such advice is circulated to the shareholders of these corporations (other than shareholders who are non-retail investors), or is otherwise made known to the public. Transactions of the aforementioned categories are allowed only if the Singapore Office is one of the contractual parties to the transaction, under an agreement with another party (not being the Singapore Office’s related corporation), and the Singapore Office is liable, whether solely or jointly with the other contractual party, for the obligations and liabilities of the transaction. The same restrictions are applied to FRC Arrangements for corporate finance advisory.

¹⁰ This includes the name of the representative and the corresponding Foreign Office, the date and purpose of visit to Singapore under the arrangement as well as the details of regulated activities conducted during the visit.

on AML/CFT, and MAS Regulations made pursuant to UNSC Resolutions¹¹;
(iv) maintaining or having access to all records kept overseas by the Foreign Offices that relate to the arrangements, and providing MAS with timely access to these records; (v) marketing and solicitation of customers in Singapore by the Foreign Office and its representative; and (vi) handling of customer complaints;

- (vi) **Audit certification and annual reporting requirements** – The Singapore FI is required to submit an annual certification from an independent assurance function¹² that the boundary conditions have been complied with. The Singapore FI will also have to submit relevant metrics on the Branch Arrangements annually to facilitate the monitoring of risks (refer to Part B of this consultation paper).

Question 4. MAS seeks comments on the proposed notification requirement and boundary conditions as set out in paragraph 3.6.

4 Treatment of Existing OTCD Branch Arrangements

4.1 Under the transitional arrangement for the regulation of OTCD (“OTCD Transition Arrangement”), FIs dealing in or advising on OTCD prior to 8 October 2018 will have to comply with the applicable conduct requirements and appoint representatives for dealing in or advising on OTCD under the SFA and/or FAA after the end of the transitional period (i.e. on 8 October 2021). Where the FI is a branch in Singapore, the OTCD Transition Arrangement also applies to the Foreign Offices which have OTCD Branch Arrangements with the Singapore branch. The Foreign Offices similarly have to comply with the applicable conduct requirements after the end of the transitional period. Representatives of these Foreign Offices dealing in or advising on OTCD will also have to be appointed as

¹¹ Where the customers of the Foreign Office are also considered customers of the Singapore Office, as defined in the relevant AML Notice, the Notice requirements would apply. Where the Foreign Office’s customers are not customers of the Singapore Office, the Singapore Office will still be required to ensure that the policies and procedures in place relating to the conduct of customer due diligence under the Branch Arrangement are at least as stringent as the requirements in the relevant AML Notice.

¹² This refers to the internal audit function within the Singapore FI or a related entity of the Singapore FI, a service provider engaged to perform the internal audit function, or an external auditor.

representatives after the end of the transitional period to continue serving Singapore customers.

4.2 MAS intends to extend the proposed Branch Framework to the OTCD Branch Arrangements which are covered under the OTCD Transition Arrangement ("Existing OTCD Branch Arrangements") such that the Foreign Offices and their representatives under these arrangements will continue to be exempt from the conduct and/or appointment requirements after the OTCD Transition Arrangement ends. FIs will be required to notify MAS of and comply with the proposed boundary conditions for their Existing OTCD Branch Arrangements. To this end, MAS plans to implement the proposed Branch Framework on 9 October 2021, immediately after the end of the OTCD transitional period. FIs will also be provided with a transition period of six months to comply with the proposed boundary conditions and submit notifications on their Existing OTCD Branch Arrangements under the proposed Branch Framework.

Question 5. MAS seeks comments on extending the proposed Branch Framework to Existing OTCD Branch Arrangements.

Question 6. MAS seeks comments on the transition period of six months to comply with the proposed boundary conditions and submit notifications to MAS for Existing OTCD Branch Arrangements.

PART B: OPERATIONALISATION OF THE PROPOSED BRANCH FRAMEWORK AND NOTIFIED FRC FRAMEWORK

5 Notification and Annual Reporting Forms

5.1 Under the proposed Branch Framework and notified FRC framework, the Singapore FI will be required to:

- (i) notify MAS of the cross-border arrangement and confirm to MAS its compliance with the boundary conditions, within 14 days of commencement of such arrangement;
- (ii) notify MAS of any changes to the arrangement within 14 days of such a change; and
- (iii) report annually information on the size, type of activities and other relevant metrics to allow for effective and risk-based monitoring of developments on the arrangement.

5.2 MAS proposes to require the Singapore FI to submit its notification forms and annual reporting form in a prescribed format to ensure that consistent and sufficient information is provided to MAS. The same forms will be used for both the proposed Branch Framework and notified FRC framework. The table below summarises the information to be collected, and the submission timeline.

Form	Information Required in the Form	Submission Timeline
Notice of commencement of cross-border arrangements (Annex A1)	<ul style="list-style-type: none"> • Regulatory status of Singapore FI • Information on each cross-border arrangement: <ol style="list-style-type: none"> (i) Name, rationale and date of commencing arrangement (ii) Regulated activities involved under the arrangement (iii) For each FRC/ Foreign Office, its name, regulatory status, country where it is based, and the 	14 days from the date of commencement of the arrangement

	<p>regulated activities being conducted under the arrangement</p> <p>(iv) Roles of the Singapore FI and FRCs/ Foreign Offices in the process chain</p> <ul style="list-style-type: none"> • Shareholding structure (for FRC Arrangements only) • Assessment and declaration on conflicts of interest • Declaration by a director that: <ul style="list-style-type: none"> (i) the Singapore FI and its FRC/ Foreign Office are in compliance with the conditions; and (ii) the information provided to the Authority is true and accurate. 	
<p>Notice of change in particulars to cross-border arrangements (Annex A2)</p>	<ul style="list-style-type: none"> • Specified changes in particulars to previously notified arrangements <ul style="list-style-type: none"> (i) Name of the arrangement/ business unit conducting the arrangement (ii) Revised list of regulated activities conducted under the arrangement (iii) Information on the FRCs/ Foreign Offices that were previously notified to the Authority <ul style="list-style-type: none"> ▪ Name change of FRC/ Foreign Office ▪ Addition/ cessation of FRC/ Foreign Office 	<p>14 days from the date of change</p>

	<p>(iv) Changes to the roles of the Singapore FI or FRC/ Foreign Office</p> <ul style="list-style-type: none"> • Cessation of arrangements • Declaration by a director that the information provided to the Authority is true and accurate. 	
<p>Annual declaration for cross-border arrangements (Annex A3)</p>	<ul style="list-style-type: none"> • Information on the number of individuals carrying out regulated activities under the arrangement • Information on business volume for each regulated activity under the arrangement • Certification by an independent assurance function on compliance with the boundary conditions • Declaration by a director that: <ul style="list-style-type: none"> (i) the Singapore FI is not aware of any material adverse information relating to the arrangement(s) that would impact the Singapore FI; and (ii) the information provided to the Authority is true and accurate. 	<p>5 months from the end of the financial year</p>

Question 7. MAS seeks comments on:

- (a) the proposed Annex A1;
- (b) the proposed Annex A2;
- (c) the proposed Annex A3; and

- (d) the submission timeline for the proposed Branch Framework and notified FRC framework.

6 Regulations and Accompanying Notices

6.1 To effect the proposed notified FRC framework, MAS proposes to introduce the following regulations and notices:

- Securities and Futures (Exemption from Requirements) (Cross-Border Arrangements) (Foreign Related Corporations) Regulations (Annex B1);
- Financial Advisers (Exemption from Requirements) (Cross-Border Arrangements) (Foreign Related Corporations) Regulations (Annex B2);
- Notice on Requirements in relation to Cross-Border Arrangements under the Securities and Futures (Exemption from Requirements) (Cross-Border Arrangements) (Foreign Related Corporations) Regulations (Annex B3);
- Notice on Requirements in relation to Cross-Border Arrangements under the Financial Advisers (Exemption from Requirements) (Cross-Border Arrangements) (Foreign Related Corporations) Regulations (Annex B4);
- Notice on Prevention of Money Laundering and Countering the Financing of Terrorism – Specified Holders of a Capital Markets Services Licence and Specified Exempt Persons (*to be consulted separately, targeted for consultation by 31 March 2021*)¹³; and
- Notice on Prevention of Money Laundering and Countering the Financing of Terrorism – Licensed Financial Advisers and Specified Exempt Persons (*to be consulted separately, targeted for consultation by 31 March 2021*)¹⁴.

The Regulations set out the scope of the proposed notified FRC framework, exemptions to be granted to the FRCs and their representatives, as well as the conditions to be complied with before an FRC Arrangement can be notified to MAS. The Notices set out

¹³ The AML/CFT related requirements in the boundary conditions [except for the condition in paragraph 3.6(iii)(b)] are intended to be imposed pursuant to a separate AML Notice under section 27B of the MAS Act.

¹⁴ Refer to footnote 13.

the ongoing conditions to be complied with after an FRC Arrangement has been notified to MAS.

6.2 The regulations and accompanying notices introduced in paragraph 6.1 are intended to replace the following regulations and guidelines:

- Paragraph 9 of the Third Schedule to the SFA;
- Regulations 14(3) and 65 of the SF(LCB)R;
- Paragraph 11 of the First Schedule to the FAA;
- Regulation 32CA of the FAR;
- Guidelines on Applications for Approval of Arrangements under Paragraph 9 of the Third Schedule to the SFA; and
- Guidelines on Applications for Approval of Arrangements under Paragraph 11 of the First Schedule to the FAA.

6.3 The proposed Branch Framework, including its scope, the exemptions to be granted, as well as the boundary conditions to be complied with are set out in the following draft regulations and notices:

- Securities and Futures (Exemption from Requirements) (Cross-Border Arrangements) (Foreign Offices) Regulations (Annex C1);
- Financial Advisers (Exemption from Requirements) (Cross-Border Arrangements) (Foreign Offices) Regulations (Annex C2);
- Notice on Requirements in relation to Cross-Border Arrangements under the Securities and Futures (Exemption from Requirements) (Cross-Border Arrangements) (Foreign Offices) Regulations (Annex C3);
- Notice on Requirements in relation to Cross-Border Arrangements under the Financial Advisers (Exemption from Requirements) (Cross-Border Arrangements) (Foreign Offices) Regulations (Annex C4);
- Notice on Prevention of Money Laundering and Countering the Financing of Terrorism – Specified Holders of a Capital Markets Services Licence and

Specified Exempt Persons (Foreign Offices) (*to be consulted separately, targeted for consultation by 31 March 2021*)¹⁵; and

- Notice on Prevention of Money Laundering and Countering the Financing Terrorism – Licensed Financial Advisers and Specified Exempt Persons (Foreign Offices) (*to be consulted separately, targeted for consultation by 31 March 2021*)¹⁶.

6.4 The proposed amendments to regulation 32C of the FAR referred to in paragraph 3.5 is enclosed in Annex D.

6.5 In addition, MAS will be making consequential amendments to the relevant legislation, including the Securities and Futures (Classes of Investors) Regulations 2018 in relation to the permissible clientele under the FRC Arrangement and Branch Arrangement.

Question 8. MAS seeks comments on:

- (a) the draft Regulations and Notices in Annexes B1 to B4;
- (b) the draft Regulations and Notices in Annexes C1 to C4; and
- (c) the proposed amendments to regulation 32C of the FAR in Annex D.

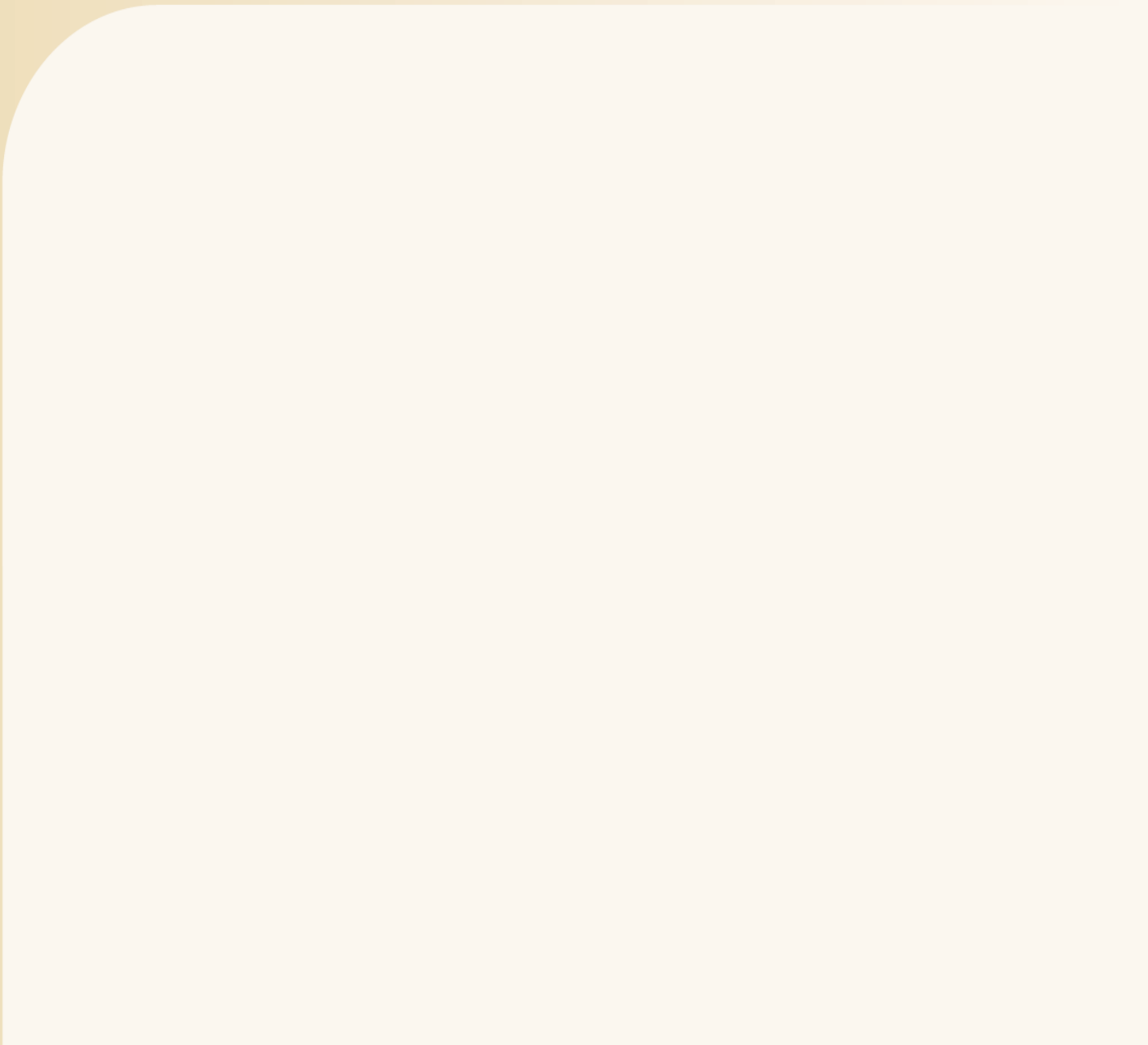
¹⁵ Refer to footnote 13.

¹⁶ Refer to footnote 13.

Annex A

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Monetary Authority of Singapore