



Monetary Authority of Singapore

**SECURITIES AND FUTURES ACT
(CAP. 289)**

**NOTICE ON ENTRY REQUIREMENTS OF A
PROVISIONAL OR TEMPORARY REPRESENTATIVE**

Notice No : SFA 04-N10
Issue Date : 26 November 2010

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OR TEMPORARY REPRESENTATIVE**

INTRODUCTION

1 This Notice is issued pursuant to sections 99E, 99F and 101 of the Securities and Futures Act (Cap. 289) [“the Act”].

2 With the implementation of the amendments to Part IV of the Act on 26 November 2010, the licensing regime for representatives under the Act was replaced by a representative notification framework. Under this framework, a principal who appoints a representative to carry out regulated activities will have to notify MAS of the appointment and certify the representative’s fitness and propriety to be such a representative. The notification requirement is applicable to the appointment of an appointed, provisional or temporary representative under the Act.

3 This Notice sets out the entry requirements in respect of the appointment of provisional and temporary representatives as well as the validity period of such appointments.

DEFINITIONS

4 For the purposes of this Notice:

“appointed representative” has the same meaning as in section 2(1) of the Act;

“exempt financial institution” means a financial institution exempt from the requirement to hold a capital markets services licence under section 99(1)(a), (b), (c) or (d) of the Act;

“principal” has the same meaning as in section 2(1) of the Act;

“provisional representative” has the same meaning as in section 2(1) of the Act;

“public register of representatives” has the same meaning as in section 2(1) of the Act;

“temporary representative” has the same meaning as in section 2(1) of the Act.

PROVISIONAL REPRESENTATIVE

5 Entry Requirements

5.1 The provisional representative scheme is meant to facilitate the relocation of experienced individuals who wish to conduct regulated activities under the Act on behalf of the holder of a capital markets services licence or an exempt financial institution. Such an individual may conduct regulated activity as a provisional representative, while he is given a grace period of three months to pass the relevant examination(s) to satisfy the examination requirements stipulated in the Notice on Minimum Entry and Examination Requirements For Representatives of Holders of Capital Markets Services Licence and Exempt Financial Institutions (“Notice No. SFA 04-N09”).

5.2 The principal shall ensure that individuals proposed to be a provisional representative are able to satisfy the following minimum entry requirements¹ :

- (a) he is at least 21 years old;
- (b) he is in the process of relocating or has already relocated to Singapore;
- (c) he possesses at least three years of working experience relevant to the regulated activities he will conduct as a provisional representative; and
- (d) he possesses at least a Bachelor’s degree or equivalent, or a professional qualification².

5.3 The Authority may refuse entry of a provisional representative who fails to satisfy the entry requirements set out in paragraph 5.2.

¹ Principals should also ensure that the individual proposed to be appointed as a provisional representative satisfy the requirements set out in section 99M(1)(t) of the Act and regulation 3B(3) of the Securities and Futures (Licensing and Conduct of Business) Regulations, where the individual:

- (a) should be currently or previously licensed, authorised or otherwise regulated as a representative in relation to a comparable type of regulated activity in a foreign jurisdiction for a continuous period of at least 12 months;
- (b) if he was previously licensed, authorised or regulated in a foreign jurisdiction, the period between the date of his ceasing to be so licensed, authorised or regulated in a foreign jurisdiction and the date of his proposed appointment as a provisional representative does not exceed 12 months; and
- (c) the laws and practices of the jurisdiction under which the individual is or was so licensed, authorised or regulated provide protection to investors comparable to that applicable to an appointed representative under the Act.

² Acceptable professional qualifications include those listed in the exemptions for Capital Markets and Financial Advisory Services Examination’s Modules on Product Knowledge and Analysis, as specified in MAS Notice No. SFA 04-N09.

6 Validity Period

6.1 The appointment of a provisional representative will be valid for a period of up to three months from the date when the name of the representative is entered into the public register of representatives as a provisional representative.

6.2 In relation to the requirement for the principal to submit a notification of satisfaction of examination requirements under section 99D of the Act, where a provisional representative intends to become an appointed representative for more than one type of regulated activity, the provisional representative shall ensure that he has passed all the relevant examinations before his principal submits to the Authority, the one-time notification in respect of those regulated activities to be conducted as an appointed representative.

TEMPORARY REPRESENTATIVE

7 Entry Requirements

7.1 The temporary representative scheme is meant to complement the representative notification framework under Part IV of the Act in addressing unexpected business needs. It accommodates overseas-based representatives who wish to conduct regulated activities as a representative of the holder of a Capital Markets Services Licence or an exempt financial institution, on a temporary or short-term basis. Overseas-based representatives who intend to conduct regulated activities in Singapore on a regular basis should be an appointed representative under the Act and comply with all relevant requirements relating to appointed representatives. Unlike the case for provisional representatives, the temporary representative scheme is not intended to accommodate individuals who are in the midst of fulfilling the examination requirements under MAS Notice No. SFA 04-N09. As set out in paragraph 2 of this Notice, principals are required to notify MAS of the appointment of a representative, and certify his fitness and propriety to be such a representative.

7.2 The principal shall ensure that individuals proposed to be temporary representative are able to satisfy the following minimum entry requirements³:

³ Principals should also ensure that the individual proposed to be appointed as a temporary representative satisfy the requirements set out in section 99M(1)(s) of the Act read with regulation 3C of the Securities and Futures (Licensing and Conduct of Business) Regulations, where the individual:

- (a) should be currently licensed, authorised or otherwise regulated as a representative in relation to a comparable type of regulated activity in a foreign jurisdiction;
- (b) the laws and practices of the jurisdiction under which the individual is or was so licensed, authorised or regulated provide protection to investors comparable to that applicable to an appointed representative under the Act; and
- (c) the period of his proposed appointment, together with the period of any past appointment (or part thereof) that falls within the period of 24 months before the date of expiry of his proposed appointment, should not exceed 6 months.

- (a) he is at least 21 years old;
- (b) he is currently not residing in Singapore;
- (c) he is an employee of a related company of the holder of the capital markets services licence or the exempt financial institution;
- (d) he possesses at least 5 years of working experience relevant to the regulated activities he will conduct as a temporary representative; and
- (e) he possesses at least a Bachelor's degree or equivalent, or a professional qualification⁴.

7.3 The Authority may refuse entry of a temporary representative who fails to satisfy the entry requirements set out in paragraph 7.2.

8 Validity Period

8.1 The principal shall notify the Authority to appoint the temporary representative for a further three-month period only after the representative has commenced the 1st three-month block, if more time is required to complete the work assignment. Representatives who foresee the need for more frequent visits to Singapore to conduct regulated activities should be appointed representatives under section 99D of the Act, and comply with all the requirements applicable to appointed representatives.

8.2 A temporary representative will be imposed a condition that the representative is not allowed to change his principal during the three month validity of his appointment as temporary representative. For the avoidance of doubt, the total period of his appointment as temporary representative must not exceed 6 months within a 24-month period as stipulated in regulation 3C(1) of the Securities and Futures (Licensing and Conduct of Business) Regulations.

Note:

Under section 101(3) of the Act, any person who contravenes any requirement specified in a direction issued by the Authority 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 thereof during which the offence continues after conviction.

⁴ Acceptable professional qualifications include those listed in the exemptions for Capital Markets and Financial Advisory Services Exam's Modules on Product Knowledge and Analysis, as specified in MAS Notice No. SFA 04-N09.