



Monetary Authority of Singapore

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**SECURITIES AND FUTURES ACT (“SFA”) AND  
FINANCIAL ADVISERS ACT (“FAA”)**

**FREQUENTLY ASKED QUESTIONS (“FAQs”) ON  
FAIR AND BALANCED ADVERTISING AND OTHER ADVERTISING  
RESTRICTIONS**

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**Disclaimer: The FAQs are meant to provide guidance to the industry on the fair and balanced advertising and other advertising restrictions. They do not constitute legal advice. MAS expects industry participants to retain their independent legal counsel to advise them on how their business operations should be conducted in order to satisfy the legal and regulatory requirements, and to advise them on all applicable laws, rules and regulations of Singapore.**

**(I) Scope of “Advertisements” covered under the Securities and Futures (Licensing and Conduct of Business) Regulations (“SF(LCB)R”) and Financial Advisers Regulations (“FAR”)**

**Q1 “Advertisement” is defined as any dissemination or conveyance of information in connection with a promotion of, or an invitation or a solicitation in respect of, any product or service, by any means or in any form. This is very broad and could potentially capture a large bulk of the day-to-day communication between the financial institution (“FI”) and the client. Can MAS provide further guidance on the scope of “advertisements”?**

A1 Factors that MAS would take into consideration in determining whether a communication is an advertisement include whether it is generic, non-tailored, intended for wider dissemination and whether the primary purpose is to promote or solicit investment in an investment product or a service which is regulated under the SFA or FAA. Further guidance on whether certain types of publications or communications are covered within the scope of “advertisements” under the SF(LCB)R and FAR can be found in **Annex A**. The principles applied in determining if an example in Annex A would constitute an advertisement may similarly be applied to the other examples.<sup>1</sup>

MAS will continue to engage the industry and may update these FAQs and Annex A to provide further guidance. MAS will take a calibrated approach in the implementation of the regulations that will apply to the dissemination or publishing of advertisements on or after 10 December 2018. For example, should new areas of clarification arise where further guidance is indeed needed in the initial period of adoption of the regulations, MAS will, where appropriate, provide FIs with reasonable amount of time to address those areas.

**Q2 Is advertisement by means of digital media such as mobile phones and computers subject to the requirements under regulation 46 of the SF(LCB)R and regulation 22 of the FAR?**

A2 Yes, “other media” as stated in paragraph (f) of the definition of “advertisement” set out in regulation 2 of the SF(LCB)R and FAR includes mobile phones and computers.

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<sup>1</sup> For example, see the Explanation in respect of Example 6 of Annex A which illustrates how different principles would be applicable depending on the facts of the case.

**Q3 Are communications in respect of activities relating to Mergers & Acquisitions and Corporate Finance considered advertisements?**

A3 Generic marketing materials used by FIs to provide an overview of the FI and promote the services that it provides are considered to be non-product advertisements. To the extent that the communications are non-generic, tailored, and take into account the circumstances of a client or group of clients (e.g. pitchbooks proposing a specific transaction and/or how the FI can serve the specific needs of their potential clients), they would not be considered advertisements.

**Q4 Would advertisements prepared by the foreign head office of an FI based in Singapore for distribution globally, including Singapore, be subject to the advertising regulations?**

A4 Yes. The specified person in Singapore responsible for the distribution of the advertisement has to ensure that requirements on advertising have been complied with.

**Q5 Would product training materials and product brochures given to distributors or intermediaries be considered advertisements?**

A5 No. Such material will not be considered advertisements if they are not disseminated to clients. However, if such materials are further disseminated to clients for the primary purpose of soliciting investments, they may be considered advertisements.

**(II) Whether advertisements to Accredited Investors (“AIs”), Expert Investors (“EIs”) and Institutional Investors (“IIs”) are subjected to the advertising requirements**

**Q6 Do the advertising requirements apply only to communications with retail investors?**

A6 Unless an exemption applies, all advertisements in respect of investment products, not just those targeted at retail investors, should be fair and balanced, and clear and legible. The sophistication of the target investor base would, however, be taken into consideration in assessing whether the advertisement meets these standards.

**Q7 The FAA currently provides exemptions from certain business conduct requirements for financial advisers (“FAs”) when serving AIs, EIs and IIs. Will**

**FAs serving AIs, EIs and IIs be exempted from complying with regulation 22(1) of the FAR?**

A7 Only FAs who are exempted from section 26 of the FAA regarding the prohibition on the making of false and misleading statements are not required to comply with regulation 22(1) of the FAR. If not exempted from section 26 of the FAA, FAs are required to comply with regulation 22(1) of the FAR.

**(III) Use of disclaimers in complying with the advertising requirements**

**Q8 It is a requirement to include the following statement “This advertisement has not been reviewed by the Monetary Authority of Singapore.”. For product advertisements in digital media, which may contain limited character spaces or where the advertisement is limited in size (e.g. Facebook Ads, digital banners) and intended to be a link to a product or campaign website where more details are provided, can FIs present the statement in the product or campaign website instead of placing it on the actual advertisement?**

A8 Yes, the statement “This advertisement has not been reviewed by the Monetary Authority of Singapore.” can be stated in the product or campaign website, which would also be subject to the advertising requirements. The statement should be set out clearly on the main page of the website.

**Q9 Can the words “publication” or “document” be used in place of “advertisement” in the statement “This advertisement has not been reviewed by the Monetary Authority of Singapore.”?**

A9 No, the SF(LCB)R and FAR do not allow any substitution of words in the statement.

**Q10 If an FI, in its communications or publications includes a disclaimer that it is not making an offer or that the communication or publication is not an advertisement, or any wording to that effect, can the communication or publication be not considered an advertisement?**

A10 No. The document would have to be considered in its entirety for the determination to be made as to whether it is an advertisement. A disclaimer will not be the determining factor in assessing if the communication or publication is an advertisement.

**Q11 Can the statement “This advertisement has not been reviewed by the Monetary Authority of Singapore” to be included in all advertisements be translated to other languages?**

A11 Yes. The statement can be translated to the language used in the advertisement as long as the original meaning is retained in the translated version.

**Q12 In relation to a conference, can the statement “This advertisement has not been reviewed by the Monetary Authority of Singapore” be indicated in the main conference materials or on the conference website, instead of in each and every deck?**

A12 The statement does not necessarily have to be in each and every deck but the specified person must ensure that the statement is clearly communicated to the recipients of each and every deck of slides (which meets the definition of “product advertisement”). For example, the statement may be included as part of the conference materials that are distributed to all participants.

**(IV) Exemption from regulation 19A of the Securities and Futures (Offers of Investments)(Collective Investment Schemes) Regulations (“SF(OIS)(CIS)R”)**

**Q13 Can the preparer of an advertisement, who is also the person disseminating or publishing the advertisement, rely on the exemption under regulation 19C of the SF(OIS)(CIS)R from complying with the advertisement requirements under regulation 19A of the SF(OIS)(CIS)R?**

A13 A preparer, who is also the person disseminating or publishing the advertisement, can rely on the exemption under regulation 19C of the SF(OIS)(CIS)R and will not have to comply with the advertising requirements under regulation 19A of the SF(OIS)(CIS)R, if he satisfies the conditions under regulation 19C. The preparer must, for example, be a holder of a capital markets services licence or a specified FA and have complied with regulation 46(1) of the SF(LCB)R or regulation 22(1) of the FAR respectively.

**(V) Scope of “non-product advertisements”**

**Q14 Would a publication providing information on a service or platform offered by an FI be regarded as a “non-product advertisement” instead of a “product advertisement” if it does not refer to any specific investment product?**

A14 A “non-product advertisement” is defined in regulation 46AD(3) of the SF(LCB)R and regulation 22D(4) of the FAR. Advertisements in respect of services (e.g. rehypothecation, stock lending and short sell services) that are not in connection with a promotion of, or an invitation or a solicitation in respect of a specific capital markets product or investment product fall within the scope of “non-product advertisement”.

**(VI) Approval in respect of advertisements**

**Q15 Does the FI’s senior management have to approve every advertisement?**

A15 The regulations allow for senior management to delegate the approval process to one or more other staff as their agent or a committee (which does not have to comprise senior management).

**(VII) Legibility of advertisements**

**Q16 Although a product advertisement in an electronic mail or website is in a font size of at least 10-point Times New Roman or any other standard font type that is visually equivalent to that font size, it would appear smaller when it is viewed on a mobile phone. Would the product advertisement therefore comply with the requirements under the SF(LCB)R and FAR?**

A16 Yes, it would comply with the requirements under regulation 46(2)(e)(i) of the SF(LCB)R and regulation 22(2)(e)(i) of the FAR.

**Q17 Do the wordings used in graphs/charts (e.g. chart labels, axis titles and numbering) have to be at least of font size 10-point Times New Roman?**

A17 No. It is not the policy intent to subject such wordings to a minimum font size of 10-point Times New Roman, but the requirements for the advertisement to be clear and legible continue to apply.

**(VIII) Advertisements made to overseas investors**

**Q18 Would advertisements made by FIs to overseas investors, including a Singapore representative who is delivering a presentation at an overseas conference be subject to advertising requirements?**

A18 Yes, FIs will have to comply with the relevant requirements when communicating with overseas investors.<sup>2</sup>

**(IX) Advertisements by overseas representatives**

**Q19 Do representatives from overseas FIs attending conferences in Singapore have to comply with the advertising requirements?**

A19 Specified persons, whether through or in collaboration with another person (whether local or foreign), who disseminate or publish any advertisement in Singapore are responsible for complying with the relevant regulations.

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<sup>2</sup> The removal of regulation 36 of the FAR which exempted FAs from having to comply with most of the FAA conduct of business requirements when providing financial advisory service to overseas investors will take effect from 10 December 2018.

**ANNEX A**

**SCOPE OF “ADVERTISEMENTS” COVERED UNDER THE SF(LCB)R AND FAR**

<b><u>No.</u></b>	<b><u>Type of publication</u></b>	<b><u>Explanation</u></b>
1	Communications sent to clients on a 1-to-1 basis or to a group about a potential investment in a product	<b>Depends.</b> To the extent that communications are non-generic and tailored to take into account circumstances of individual clients or groups of clients with similar objectives and/or profiles, these would not be considered advertisements.
2	Research reports or analyses	<b>No.</b> The issuance and dissemination of research analyses or research reports, including via newsletters, commentaries, seminars, talks and presentations, even if they contain opinions or buy/sell recommendations about a clearly identifiable investment product, would not be considered advertisements. However, FIs are reminded that FAs who provide the financial advisory service of advising others by issuing or promulgating research analyses or research reports concerning any investment product are regulated under the FAA and have to meet the requirements therein. In particular, as set out in the Guidelines on Addressing Conflicts of Interest arising from Issuing or Promulgating Research Analyses or Research Reports (FAA-G13) and Guidelines on Addressing Conflicts of Interest arising from a Related Corporation Issuing or Promulgating Research Analyses or Research Reports (SFA 04-G06), FIs are expected ensure that their reports and analyses are objective, clear,



<b><u>No.</u></b>	<b><u>Type of publication</u></b>	<b><u>Explanation</u></b>
		<p>fair and not misleading. To this end, FIs should have in place appropriate mechanisms to ensure the independence of the research activities. Each FI should establish and implement written policies to effectively manage conflicts of interest which may affect the impartiality of the research analyses and reports.</p> <p>Research reports from foreign research houses that are regulated in their home jurisdictions would also not be considered advertisements.</p>
3	Listings of available investment products from the FI which provide a summary of factual information on the products (e.g. price, ratings, performance over a certain period, financial ratios, trader's axis)	<b>No.</b> These are primarily to inform, rather than promote or solicit investments in products.
4	Communications permitted for offers made in reliance of prospectus exemptions (e.g. information memorandums, including termsheets or indicative termsheets, pre-deal research publications, monthly product or fund factsheets)	<p><b>No.</b> As the offer or intended offer is exempted from prospectus requirements, the permitted communications, whether made to local or overseas investors, are not covered under the SF(OIS)R or the SF(LCB)R.</p> <p>An FA who disseminates such communication will also not be subjected to regulation 22 of the FAR. If the FA, however, disseminates additional non-tailored communication that is not a research report, to all of its clients by providing its views and recommendations with the primary purpose of promoting or</p>

<b>No.</b>	<b><u>Type of publication</u></b>	<b><u>Explanation</u></b>
		soliciting investment in the product, that communication will be considered an advertisement.
5	Essential communications between FI and existing clients (e.g. notices of general meetings, annual accounts or reports of funds that clients have invested in)	<b>No.</b> These do not promote or solicit investments in products.
6	Communication by a representative in response to a request by a client for information about investment products (e.g. indicative termsheets), or for a proposal (e.g. to structure a tailored transaction)	<b>No.</b> These are 1-to-1 responses tailored for the specific client. Where the initial approach to a client to explore a specific product was initiated by the FI, having regard to the profile and/or investment objectives of the client, these communications would not be regarded as advertisements. Where the communication is in response to an unsolicited request by a client, these are not initiated by the FI to promote or solicit investments in products, and would also not be considered advertisements.
7	Market commentaries written by salespersons or product specialists which contain an overview of historical performance and trading ideas on specific investment products, provided by the FI as part of its service to clients	<b>Depends.</b> To the extent that the commentaries are not furnished with the primary purpose of soliciting investments in products and do not explicitly recommend a course of action (e.g. buy or sell) in relation to an investment product, they would not be considered advertisements.
8	Market commentaries which are generally non-product specific (e.g. a commentary on Asian equities as a class), and are	<b>No.</b> These do not promote or solicit investments in products. These are also not “non-product” advertisements.

<b><u>No.</u></b>	<b><u>Type of publication</u></b>	<b><u>Explanation</u></b>
	intended to provide investors with an overview and assessment of historical performance, market outlook, including events that may have an influence on the markets (e.g. natural disasters, macro-economic views, political developments) and generic investment or asset allocation strategies	
9	Mandated disclosure documents such as prospectuses and Product Highlights Sheets	<b>No.</b> Prospectuses and Product Highlights Sheets are not regarded as “advertisements” under SF(OIS)R, the SF(LCB)R or the FAR as they are disclosure documents required under law.
10	Non-mandated risk disclosure documents which serve to highlight risks of a product to a prospective customer	<b>No.</b> These do not promote or solicit investments in products.
11	Materials which contain factual information about a product class drawn up for education purposes (e.g. how the product works, product features, risk and return payoffs, benefits and risk disclaimers, documentation requirements, regulatory environment) without any recommendation or opinion expressed, and without reference to any specific named product	<b>No.</b> These do not promote or solicit investments in products.

<b><u>No.</u></b>	<b><u>Type of publication</u></b>	<b><u>Explanation</u></b>
12	Materials used for seminars, talks and presentations (e.g. PowerPoint slides)	<b>Depends.</b> Where the materials are used in connection with promoting or soliciting investments in investment products, these would fall within the scope of “advertisements”.
13	Brand advertisements.  Generic marketing materials, such as those describing online execution platforms offered by FIs, or flyers/invitations to corporate events, or advertisements on a range of capital markets products offered by FI.	<b>Depends.</b> Covered insofar as such advertisements promote or solicit investments in a product or service provided by the FI.  To the extent that the advertisements are promoting the FI brand or a service provided by the FI (e.g. discretionary portfolio management service, direct access service to dealing desk /product specialists), as opposed to investment products, the applicable requirements would be regulation 46AD and regulation 22D of the SF(LCB)R and FAR respectively, instead of regulation 46 and regulation 22.