



Monetary Authority of Singapore

SECURITIES AND FUTURES ACT (CAP. 289)

**NOTICE ON PROHIBITED REPRESENTATIONS MADE
BY EXEMPT PERSONS UNDER THE SECOND
SCHEDULE TO THE SECURITIES AND FUTURES
(LICENSING AND CONDUCT OF BUSINESS)
REGULATIONS (RG 10)**

FREQUENTLY ASKED QUESTIONS

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SECURITIES AND FUTURES (LICENSING AND CONDUCT OF
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FREQUENTLY ASKED QUESTIONS

1. *What prompted this Notice?*

The Notice was prompted by the Monetary Authority of Singapore [“MAS”] having received enquiries regarding the licensing status of exempt persons as well as MAS' supervision over them. It is intended to provide clarity to the public on the level of supervisory oversight MAS has over the exempt persons.

1A *Who are the Exempt Persons affected by this Notice?*

For the purpose of this Notice, exempt persons refer to persons exempted from holding a capital markets services [“CMS”] licence under paragraphs 3(1)(d), 3A(1)(d) and 7(1)(b) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (RG 10).

[Updated on 8 October 2018]

2. *How does this Notice affect Exempt Persons?*

An exempt person and its representatives shall not represent themselves, nor cause to be represented, as being licensed, regulated, supervised or registered by “MAS”, whether verbally or in writing.

3. *Why should exempt persons refrain from using the terms “licensed”, “regulated”, “supervised”, or “registered” to describe their regulatory status?*

When an exempt person states that it is "licensed", "regulated", "supervised", or "registered" by MAS, it may create an incorrect impression that MAS has necessarily conducted checks on the financial soundness of the exempt person and on the person is fit and proper. This is not correct as exempt persons may lodge for the exemption under the 2nd Schedule to the SFR as long as they meet specified conditions.

In many foreign jurisdictions, the term “registered” has been used interchangeably, or implies similar meanings, with the words “licensed”, “regulated” or “supervised”.

In Singapore, the term 'registered' is used for persons registered under paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations [“Registered Fund Management Companies”], who are subject to business conduct regulations, and who fall within the regulatory purview and supervisory oversight of MAS.

[Amended on 7 August 2012]

4. *What is the difference between Exempt Persons and Registered Fund Management Companies?*

Exempt persons are required to comply with the requirements relating to Prevention of Money Laundering and Countering the Financing of Terrorism and Fit and Proper requirements.

For Registered Fund Management Companies, in addition to requirements applicable to exempt persons, they are also subject to business conduct regulations and fall within the regulatory purview and supervisory oversight of MAS.

5. *If the terms listed in the Notice cannot be used, how may exempt persons describe their exempt status in a way that is not misleading?*

To mention that an exempt person has "lodged with MAS..." or “notified MAS....” would not be misleading.

Updated on
8 October 2018