



Monetary Authority of Singapore

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Shares & Debentures Guideline 1 /  
CIS Guideline 1

**INTERNET GUIDELINES**

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# **1 Guidelines on Offers of Securities through the Internet**

1.1 These Guidelines are issued pursuant to section 321 of the Securities and Futures Act (SFA). They apply to an offer to the public in Singapore of shares in, debentures of, units of shares in and debentures of a corporation or units in collective investment schemes (referred to in these Guidelines as securities) for subscription or purchase or invitation to the public to subscribe for or purchase securities (referred to in these Guidelines as an offer) which is made through the Internet. These Guidelines cover both an initial as well as a secondary offer.

1.2 These Guidelines are not intended to and do not deal with commercial issues such as authentication of applications, repudiation of contracts or security of payments made through the Internet.

1.3 In addition to these Guidelines, a person making an offer (referred to in these Guidelines as the offeror) through the Internet should take note of Appendix A which sets out -

- (a) best practices on -
  - (i) the security issues in relation to -
    - (A) a prospectus or profile statement made available in electronic form on the Internet (referred to in these Guidelines and Appendix A as an electronic prospectus or profile statement) and a supplementary document or replacement document made available in electronic form on the Internet (referred to in these Guidelines and Appendix A as an electronic supplementary document or electronic replacement document); and
    - (B) any document which is required to be made available for inspection by the public in connection with the offer or listing of securities under the SFA or the listing rules of a securities exchange as defined in the SFA and made available in electronic form on the Internet (referred to in these Guidelines and Appendix A as an electronic document for inspection);
  - (ii) the submission of electronic applications for securities; and
  - (iii) the actions to be taken by an offeror when an offer closes; and

- (b) administrative procedures on the submission of a written statement informing the Authority of the uniform resource locator from which an offer through the Internet is made.

## **2 Offer Made in or Accompanied by a Prospectus or Profile Statement**

### Statutory Requirement

2.1 Sections 240(1)(a) and 296(1)(a) require an offer to be made in or accompanied by a prospectus that is registered by the Authority. Sections 240(4) and 296(2) provide that an offer may be made in or accompanied by a profile statement, instead of a prospectus, subject to certain conditions including registration of the prospectus and profile statement by the Authority.

### Guidelines

2.2 For an offer made through the Internet, the Authority will generally regard the requirement for an offer to be made in or accompanied by a prospectus or profile statement registered by the Authority, to have been complied with if -

- (a) a prospectus and a profile statement (if applicable) are registered by the Authority;
- (b) the offeror makes a copy of the registered prospectus or profile statement available as an electronic prospectus or profile statement; and
- (c) the offeror states clearly where copies of the prospectus and profile statement (if applicable) in print form may be obtained.

2.3 For the purposes of paragraph 2.2(b), the Authority will generally regard the offeror to have made an electronic prospectus or profile statement available if -

- (a) the electronic prospectus or profile statement is easily accessible for viewing online or easily downloadable for viewing by a potential investor;
- (b) a copy of the electronic prospectus or profile statement can be printed;
- (c) the electronic prospectus or profile statement does not differ significantly in form or content from the registered prospectus or profile statement;

- (d) the electronic prospectus or profile statement and any promotional material are not made available in a way that encourages an investor to make decisions on the basis of the promotional material rather than on the basis of the prospectus or profile statement; and
- (e) before being given access to the application form for the securities in respect of which the electronic prospectus or profile statement is prepared (referred to in these Guidelines as the application form), a potential investor is -
  - (i) provided with instructions as to how he can view or download, and print the electronic prospectus or profile statement; and
  - (ii) advised that he should read the prospectus or profile statement before submitting his application.

2.4 For the purposes of paragraph 2.3(c), the Authority will generally regard a copy of the electronic prospectus or profile statement as not differing significantly in form or content from the registered prospectus or profile statement if -

- (a) the electronic prospectus or profile statement contains the same information (and no more information) in substantially the same sequence as the registered prospectus or profile statement;
- (b) the electronic prospectus or profile statement is legible;
- (c) any difference in format and layout between the electronic prospectus or profile statement and the registered prospectus or profile statement is immaterial;
- (d) the electronic prospectus or profile statement is clearly demarcated so that there is no doubt as to which information forms part of the prospectus or profile statement and can be relied on, and which does not form part of the prospectus or profile statement and hence should not be relied on. To inform a potential investor that only information which forms part of the electronic prospectus or profile statement should be relied on, the offeror may include an advisory statement to such effect. The advisory statement may appear either before a potential investor is given access to the application form or on the application form itself, and in a font size no smaller than that used in the electronic prospectus or profile statement. An example of such an advisory statement is as follows:

*"Any information/material falling outside the demarcated areas does not form part of the prospectus. The shares/debentures/units of shares/units of debentures/units in the collective investment scheme offered herein are offered on the basis of the information in the prospectus/profile statement as set out within the demarcated areas."*

2.5 For the purposes of paragraph 2.4(c), "immaterial" differences include the use of -

- (a) a hyperlink to the electronic prospectus or profile statement, from one section of the electronic prospectus or profile statement to another or from the electronic prospectus or profile statement to the application form or any electronic document for inspection, in accordance with paragraph 2.6;
- (b) a facility to search for expressions within the prospectus;
- (c) a zoom facility allowing enlargement or reduction of fonts or images;
- (d) different font types, colours or font sizes (but not less than 8-point Times New Roman); and
- (e) different margins or spacing.

2.6 For the purposes of para 2.5(a):

- (a) A hyperlink to the electronic prospectus or profile statement should not be provided in a manner which selectively presents only parts of the electronic prospectus or profile statement or which reduces the likelihood of an investor reading any part of the electronic prospectus or profile statement. In particular, the offeror should ensure the following:
  - (i) A hyperlink to the electronic prospectus or profile statement should bring a potential investor directly (i.e. without any detour to other intermediate webpages or messages) to the front page of the electronic prospectus or profile statement, or a page which displays the contents of the electronic prospectus or profile statement in its entirety.
  - (ii) A potential investor should be able to navigate from the front page or contents page of the electronic prospectus or profile

statement to the other pages of the prospectus or profile statement. A hyperlink may be provided within the electronic prospectus or profile statement to enable a potential investor to navigate from page to page or section to section.

- (b) The offeror may provide a hyperlink from a website or webpage from which the offer is made to another website or webpage on which the electronic prospectus or profile statement in respect of the offer is posted and which meets the requirements for electronic prospectuses and profile statements set out in these Guidelines.
- (c) There should not be any hyperlink from the electronic prospectus or profile statement to promotional material or to other websites or webpages, other than to the application form or to any electronic document for inspection. The website or webpage containing the application form or any electronic document for inspection should contain only such documents. The contents of the electronic version of such documents should be the same as those of the printed versions of those documents.

### **3 Supplementary or replacement document**

#### Statutory Requirement

3.1 Sections 241(5), 241(6), 298(6) and 298(8) require a person who lodges a supplementary or replacement document to take reasonable steps to inform potential investors of such lodgment and make available the supplementary or replacement document to them.

#### Guidelines

3.2 For an offer made through the Internet, the Authority will generally regard the requirements referred to in paragraph 3.1 to have been complied with if -

- (a) where a supplementary document is lodged with the Authority, a copy of the electronic supplementary document is made available on the day of lodgment in addition to the prospectus or profile statement; and
- (b) where a replacement document is lodged with the Authority, a copy of the electronic replacement document is made available on the day of lodgment in place of the original prospectus or profile statement which it replaces.

3.3 For the purposes of paragraph 3.2, the Authority will generally regard an electronic supplementary or replacement document to have been made available if the provisions of paragraphs 2.3 to 2.6 are complied with as though a reference in those paragraphs to an electronic prospectus or profile statement were a reference to an electronic supplementary or replacement document and a reference in those documents to a registered prospectus or profile statement were a reference to a supplementary or replacement document lodged with the Authority.

#### **4 Effective date of Guidelines and Transitional Statements**

4.1 These Guidelines apply to an offer made through the Internet under a prospectus or profile statement registered by the Authority after 1 July 2002.

4.2 The Guidelines previously issued jointly by MOF, RCB and MAS on 2 May 2001 apply to an offer made through the Internet under a prospectus, profile statement or statement in writing referred to in section 113 of the Companies Act lodged with and registered by the Registrar of Companies before 1 July 2002.

**1 Security issues in relation to an electronic prospectus, electronic profile statement, electronic supplementary document, electronic replacement document and electronic document for inspection**

1.1 The offeror should ensure that reasonable and adequate safeguards are put in place to prevent unauthorised modification to the contents of an electronic prospectus, electronic profile statement, electronic supplementary document, electronic replacement document or electronic document for inspection, to ensure that a potential investor is given access to a complete and unaltered copy of such document. In the event of tampering, the offeror may be asked to:

- (a) show that reasonable preventive security measures had been taken; and
- (b) ensure that remedial action is taken as soon as reasonably practicable to rectify any breach of security.

**2 Submission of electronic applications**

2.1 Any electronic facility for the submission of applications in respect of the offer should allow potential investors to print a copy of the electronically submitted application form.

**3 Action to be taken by offeror once offer closes**

3.1 The offeror may maintain an electronic prospectus, electronic profile statement, electronic supplementary document or electronic replacement document on the website or webpage from which the offer is made or the hyperlink from the website or webpage from which the offer is made to another website or webpage on which the electronic prospectus, electronic profile statement, electronic supplementary document or electronic replacement document is posted after the offer closes, but is encouraged to remove the electronic prospectus, electronic profile statement, electronic supplementary document or electronic replacement document or the hyperlink, when a reasonable amount of time (as a general guide, a period of 4 weeks) has lapsed after the close of the offer.

3.2 Where the offeror continues to maintain an electronic prospectus, electronic profile statement, electronic supplementary document or electronic replacement



document on the website or webpage from which the offer is made or the hyperlink from the website or webpage from which the offer is made to another website or webpage on which such document is posted, reasonable steps should be taken to ensure that no applications or monies can be accepted in respect of the securities offered once the offer closes. Nor should the offeror give potential investors the impression that the offer is still open.

#### **4 Submission of Written Statement**

4.1 Every person making an offer from a website that it owns or controls should submit to the Authority a written statement signed by its director or any other duly authorised person.

4.2 The written statement should state the uniform resource locator from which the offer is made. Where access to the website is restricted (e.g. to authorised users), appropriate arrangements should be made to allow the Authority access to the website (e.g. by provision of a password).

4.3 The written statement should be submitted to the Authority no later than the first day on which the offer is made through the Internet.

4.4 In the case of a collective investment scheme, paragraphs 4.1 to 4.3 apply only in respect of the first offer that a person makes from a website that it owns or controls.