



Monetary Authority of Singapore

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

**PRACTICE NOTE ON THE  
PRODUCT HIGHLIGHTS SHEET**

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**Practice Note No.: SFA PN-02**

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**1 Purpose of this Practice Note**

1.1 This Practice Note is issued by the Monetary Authority of Singapore (the “Authority”) pursuant to section 321 of the Securities and Futures Act (Cap. 289) (“SFA”) to provide guidance to issuers<sup>1</sup> and their professional advisers in preparing a Product Highlights Sheet.

1.2 This Practice Note is to be read in conjunction with the provisions relating to the preparation and publication of a Product Highlights Sheet in the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 and Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 (collectively, the “Regulations”), and is not intended to override or replace any provisions in the Regulations. Issuers and their professional advisers shall ensure that all requirements in the Regulations are complied with.

**2 Submission and Dissemination of Product Highlights Sheet**

2.1 The Product Highlights Sheet should be submitted to the Authority at the time of the lodgment of the prospectus with the Authority.

2.2 The Product Highlights Sheet should be made available together with the prospectus. If the issuer makes the prospectus available online, the Product Highlights Sheet should also be made available online together with the prospectus.

**3 Guidance to Issuers on Preparing the Product Highlights Sheet**

3.1 The format of the Product Highlights Sheet set out in the Regulations serves as a minimum standard. Issuers must adhere to the format illustrated, including the tabular structure, the yellow Pantone 109C on the right edge of the document and the prescribed headings and sub-headings. Other colours cited in the illustration are optional, although encouraged, in order to aid readability. Issuers may add additional sub-headings to enumerate points in a long section. Issuers should include any additional key information that is important for investors to understand the product.

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<sup>1</sup> In the case of CIS, “issuer” refers to the “responsible person” as defined under the SFA to be –  
(a) in the case of a scheme which is constituted as a corporation, the corporation; or  
(b) in the case of a scheme which is not constituted as a corporation, the manager for the scheme.

3.2 Notes to guide issuers in preparing their Product Highlights Sheets are presented as italicised statements in the square brackets in the templates. Examples are also presented. These notes and examples are neither prescriptive nor exhaustive. Issuers should decide on the information to be disclosed in the Product Highlights Sheet so as to highlight key features and risks of their respective investment product to investors.

3.3 Issuers should answer the questions prescribed in the format of the Product Highlights Sheet in clear and simple language that investors can easily understand. Issuers should avoid using legal, financial or technical business jargon (collectively, “technical jargons”) that may not be easily understood by lay persons. Where such terms are unavoidable, issuers should attach a glossary to the Product Highlights Sheet to explain these technical jargons.

3.4 Issuers may include references to websites or to corresponding sections of the prospectus which set out additional information for investors in the right-hand column of the Product Highlights Sheet. Issuers are encouraged to include links to online copies of disclosure documents, educational resources or explanatory material. However, key information should be clearly disclosed in the Product Highlights Sheet and issuers should not merely make reference to information in other sources, such as the prospectus.

3.5 The use of diagrams such as infographics, graphs, charts, flowcharts, tables or numerical explanations to explain structures or payoffs of the investment products to investors is encouraged.

3.6 Diagrams may be inserted within the main body of the Product Highlights Sheet if appropriate. The issuer’s corporate logo or trade mark may also be inserted.

3.7 Issuers should ensure:

- a) a margin of at least 2.54cm on all four sides of the page;
- b) at least single line spacing before and after each line of text for the content; and
- c) left and right cell margins of at least 0.19cm within the tabular structure in the Product Highlights Sheet.

The presentation of the information should not hinder readability.

3.8 Issuers should refrain from including disclaimers in the Product Highlights Sheet.

#### **4 Product Naming and Other Matters**

4.1 Issuers should ensure there is clear product naming. The name of the product should be descriptive of the nature of the product. It should not give investors a misleading view of the true nature and risks of the product.

4.2 Issuers should not produce a publication which resembles or may otherwise be confused with a Product Highlights Sheet, if the publication is not a Product Highlights Sheet required under the SFA.