

**ANNEX 2: DRAFT FINANCIAL ADVISERS
(AMENDMENT) BILL 2007
COMPARATIVE TABLE**

COMPARATIVE TABLE OF PROVISIONS
AMENDMENTS TO THE FINANCIAL ADVISERS'S ACT

Existing Provision**Proposed Amendment****Part I****Interpretation**

2. —(1) In this Act, unless the context otherwise requires —

"advocate and solicitor" means an advocate and solicitor of the Supreme Court or a foreign lawyer as defined in section 130A of the Legal Profession Act (Cap. 161);

"appointed representative" means a representative who qualifies as a representative under section 23C and, unless it is otherwise stated, shall include a provisional representative;

"approved holding company" has the same meaning as in section 2 (1) of the Securities and Futures Act (Cap. 289);

"auditor" means a public accountant who is registered or deemed to be registered under the Accountants Act (Cap. 2);

"Authority" means the Monetary Authority of Singapore established under the Monetary Authority of Singapore Act (Cap. 186);

Existing Provision

"book" includes any record, register, document or other record of information and any account or accounting record, however compiled, recorded or stored, whether in written or printed form or on microfilm or by electronic process or otherwise;

"collective investment scheme" has the same meaning as in section 2 (1) of the Securities and Futures Act (Cap. 289);

"company" has the same meaning as in section 4 (1) of the Companies Act (Cap. 50);

"connected person" , in relation to —

(a) an individual, means —

(i) the individual's spouse, son, adopted son, step-son, daughter, adopted daughter, step-daughter, father, step-father, mother, step-mother, brother, step-brother, sister or step-sister; and

(ii) a firm, a limited liability partnership or a corporation in which the individual or any of the persons mentioned in sub-paragraph (i) has control of not less than 20% of the voting power in the firm, limited liability partnership or corporation, whether such control is exercised individually or jointly; or

(b) a firm, a limited liability partnership or a corporation, means another firm, limited liability partnership or corporation in which the first-mentioned firm, limited liability partnership or corporation

Proposed Amendment

Existing Provision

has control of not less than 20% of the voting power in that other firm, limited liability partnership or corporation,

and a reference in this Act to a person connected to another person shall be construed accordingly;

"corporation" has the same meaning as in section 4 (1) of the Companies Act;

"dealing in securities" has the same meaning as in section 2 (1) of the Securities and Futures Act (Cap. 289);

"director" has the same meaning as in section 4 (1) of the Companies Act;

"exempt financial adviser" means a financial adviser who is exempt under section 23 (1) from holding a financial adviser's licence;

"financial adviser" means a person who carries on a business of providing any financial advisory service, but does not include any person specified in the First Schedule;

"financial adviser's licence" means a licence granted ~~or renewed~~ under section 13 in respect of a financial adviser, and "licensed financial adviser" shall be construed accordingly;

"financial advisory service" means all or any of the services specified in the Second Schedule;

Proposed Amendment

Existing Provision

Proposed Amendment

“financial journalist” means a person who contributes advice concerning securities, or prepares analyses or reports concerning securities, for publication in a newspaper, but does not include such person or a person belonging to such class of persons as may be prescribed;



"financial year" has the same meaning as in section 4 (1) of the Companies Act (Cap. 50);

"firm" has the same meaning as in section 2 (1) of the Business Registration Act (Cap. 32);

"futures contract" means —

(a) a contract the effect of which is that —

(i) one party agrees to deliver a specified commodity, or a specified quantity of a specified commodity, to another party at a specified future time and at a specified price payable at that time pursuant to the terms and conditions set out in the business rules or practices of a futures market; or

(ii) the parties will discharge their obligations under the contract by settling the difference between the value of a specified quantity of a specified commodity agreed at the time of the making of the contract and at a specified future time, such difference being

Existing Provision

determined in accordance with the business rules or practices of a futures market at which the contract is made,

and includes a futures option transaction within the meaning of section 2 (1) of the Securities and Futures Act (Cap. 289); or

(b) such other contract or class of contracts as the Authority may prescribe;

Proposed Amendment

as a futures contract

but does not include such contract or class of contract that would otherwise fall within paragraph (a) as the Authority may prescribe as not being a futures contract

"futures exchange" has the same meaning as in section 2 (1) of the Securities and Futures Act;

"investment product" means —

(a) any capital markets product as defined in section 2 (1) of the Securities and Futures Act;

(b) any life policy; or

(c) any other product as may be prescribed;

"leveraged foreign exchange trading" has the same meaning as in section 2 (1) of the Securities and Futures Act;

~~"licence" means a financial adviser's licence or representative's~~

Existing Provision

licence, and ~~“licensee” shall be construed accordingly;~~

"life policy" has the same meaning as in the First Schedule to the Insurance Act (Cap. 142), but does not include any contract of reinsurance;

"limited liability partnership" has the same meaning as in section 2 (1) of the Limited Liability Partnerships Act (Cap. 163A);

“manager” and “partner”, in relation to a limited liability partnership, have the respective meanings assigned to them in section 2 (1) of the Limited Liability Partnerships Act;

"newspaper" has the same meaning as in section 2 (1) of the Newspaper and Printing Presses Act (Cap. 206);

"officer" has the same meaning as in section 4 (1) of the Companies Act (Cap. 50);

"prescribed written law" means this Act, or any of the following written laws and any subsidiary legislation made thereunder:

- (a) Banking Act (Cap. 19);
- (b) Finance Companies Act (Cap. 108);
- (c) Insurance Act (Cap. 142);
- (d) Monetary Authority of Singapore Act (Cap. 186);

Proposed Amendment

Existing Provision

- (e) Money-changing and Remittance Businesses Act (Cap. 187);
- (f) Securities and Futures Act (Cap. 289); or
- (g) such other written law as the Authority may prescribe;

Proposed Amendment

"principal" in relation to an individual who is or intends to be an appointed representative, means a holder of a financial adviser's licence or a person exempt under section 23(1)(a), (b), (c), (d) or (e), whom that individual is or intends to be in the direct employment of, acting for or by arrangement with, and for whom he provides any financial advisory service;

"provisional representative" means a representative who qualifies as a provisional representative under section 23C(12);

"public register of representatives" means the record of representatives that the Authority publishes under section 63A;

"recognised market operator" has the same meaning as in section 2 (1) of the Securities and Futures Act;

"record" means information that is inscribed, stored or otherwise fixed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form;

"registered insurer" means an insurer who is for the time being

Existing Provision

registered under section 8 of the Insurance Act;

"related corporation" has the same meaning as in section 4 (1) of the Companies Act (Cap. 50);

~~"representative" means a person, in the direct employment of or acting for or by arrangement with a financial adviser, who performs for the financial adviser any of the functions of a financial adviser (other than work ordinarily performed by accountants, clerks or cashiers), whether his remuneration (if any) is by way of salary, wages, commission or otherwise, and includes an officer of the financial adviser who performs for the financial adviser any of those functions, whether or not his remuneration is as aforesaid;~~

~~"representative's licence" means a licence granted or renewed under section 13 in respect of a representative, and "licensed representative" shall be construed accordingly;~~

"securities" has the same meaning as in section 2 (1) of the Securities and Futures Act;

"securities exchange" has the same meaning as in section 2 (1) of the Securities and Futures Act;

"share" has the same meaning as in section 4 (1) of the Companies Act;

"substantial shareholder" has the same meaning as in ~~Division 4 of Part IV of the Companies Act;~~

Proposed Amendment

"representative" means a person, by whatever name called, in the direct employment of, or acting for, or by arrangement with, a financial adviser, who performs for the financial adviser any of the functions of a financial adviser (other than work ordinarily performed by accountants, clerks or cashiers), whether or not he is remunerated, and whether his remuneration, if any, is by way of salary, wages, commission or otherwise; and includes any officer of the financial adviser who performs for the financial adviser any of those functions whether or not he is remunerated, and whether his remuneration, if any, is by way of salary, wages, commission or otherwise;

section 2(1) of the Securities and Futures Act;

Existing Provision

"trading in futures contracts" has the same meaning as in section 2 (1) of the Securities and Futures Act;

"voting share" has the same meaning as in section 4 (1) of the Companies Act;

"written direction" means a written direction issued under section 58.

(2) The definitions in the First Schedule to the Insurance Act (Cap. 142) shall have effect for the construction of references to life policies in this Act.

Proposed Amendment

PART II

~~LICENSING OF FINANCIAL ADVISERS AND THEIR REPRESENTATIVES~~

Division 1 – Financial adviser’s licence

Need for financial adviser’s licence

6. —(1) No person shall act as a financial adviser in Singapore in respect of any financial advisory service unless he —

(a) is authorised to do so in respect of that financial advisory service by a financial adviser’s licence; or

(b) is an exempt financial adviser.

(2) For the purposes of subsection (1), a person shall be deemed to be acting as a financial adviser in Singapore if he engages in any activity or conduct that is intended to or likely to induce the public in Singapore or any section thereof to use any financial advisory service provided by the person, whether or not the activity or conduct is intended to or likely to have that effect outside Singapore.

(3) In determining whether a person is engaging in any activity or conduct that is intended to or likely to have the effect referred to in subsection (2), regard shall be had to such considerations as the Authority may prescribe.

(4) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding

\$75,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$7,500 for every day or part thereof during which the offence continues after conviction.

~~Need for representative's licence~~

~~7. — (1) No person shall act as or hold himself out to be a representative of a financial adviser unless the following conditions are satisfied:~~

~~(a) that person is an individual;~~

~~(b) where the financial adviser is a licensed financial adviser, that person holds a representative's licence that is related to that financial adviser; and~~

~~(c) where the financial adviser is an exempt financial adviser, that person is a representative of that financial adviser.~~

~~(2) Any person who contravenes this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.~~

Application for grant ~~or renewal~~ of licence

financial adviser's

8. —(1) An application for the grant ~~or renewal~~ of a licence shall be —

financial adviser's

(a) made to the Authority in such form and manner as may be prescribed;

and

~~(b) in the case of an application for the renewal of a licence, made not later than one month or such other period before the expiry of the licence (referred to in this section as the late renewal period) as the Authority may prescribe; and~~

~~(c)~~ accompanied by a non-refundable application fee of a prescribed amount, which shall be paid in the manner specified by the Authority.

(b)

(2) The Authority may require an applicant to furnish it with such information or documents as it considers necessary in relation to the application.

~~(3) An application for the grant of a representative's licence shall be supported by a person who is, or who has submitted an application to be, a licensed financial adviser.~~

~~(3A) An application for the renewal of a representative's licence shall be supported by a person who is a licensed financial adviser.~~

~~(4) An application for the grant of a representative's licence shall be deemed to be withdrawn with effect from the date on which the person who supported the application—~~

~~(a) withdraws his support in writing;~~

~~(b) withdraws his application for a financial adviser's licence; or~~

~~(c) has his application for a financial adviser's licence refused by the Authority.~~

~~(5) An application for the renewal of a representative's licence shall be deemed to be withdrawn with effect from the date on which the person who supported the application withdraws his support in writing.~~

~~(6) Where a person submits an application for the renewal of his licence before or during the late renewal period, the licence shall continue in force until the date on which the licence is renewed or the application for its renewal is refused, as the case may be.~~

~~(7) Where a person submits an application for the renewal of his licence during the late renewal period, the Authority may impose a late renewal fee not exceeding \$100 for every day or part thereof that the application for renewal is late, subject to a maximum of \$3,000.~~

Requirements for grant ~~or renewal~~ of financial adviser's licence

9. —(1) The Authority may refuse an application for the grant ~~or renewal~~ of a financial adviser's licence if —

- (a) the applicant is not a corporation;
- (b) the applicant is unable to meet or continue to meet such minimum financial requirements or such other requirements as the Authority may prescribe, either generally or specifically;
- (c) the applicant does not have in force a professional indemnity insurance policy, the cover of which is consistent with such limit and deductible requirements as may be prescribed, or any other measure as may be approved by the Authority in lieu of a professional indemnity insurance policy;
- (d) the applicant has not furnished the Authority with such information or documents as may be required under section 8(2), or such other information or documents relating to it or any person employed by or associated with it for the purposes of its business or relating to any circumstance likely to affect its manner of conducting business as may be required by the Authority;
- (da) any information or document that is furnished by the applicant to the Authority is false or misleading;
- (e) the applicant or any of its substantial shareholders is in the ~~course of being wound up or otherwise dissolved, whether in~~

Singapore or elsewhere;

(f) a receiver, receiver and manager, judicial manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to, or in respect of any property of, the applicant or any of its substantial shareholders;

(g) the applicant or any of its substantial shareholders has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with its creditors, being a compromise or scheme of arrangement that is still in operation;

(h) execution against the applicant or any of its substantial shareholders in respect of a judgment debt has been returned unsatisfied in whole or in part;

(i) the Authority is not satisfied as to the educational qualification or experience of the officers or employees of the applicant who are to perform duties in connection with the holding of the financial adviser's licence;

(j) the Authority has reason to believe that the applicant, or any of its officers or employees, will not perform the functions of a financial adviser efficiently, honestly or fairly;

(k) a prohibition order under section 59 has been made by the Authority, and remains in force, against the applicant;

(l) the applicant or any of its substantial shareholders or officers —

(i) has been convicted, whether in Singapore or elsewhere, of

an offence involving fraud or dishonesty or the conviction for which involved a finding that it or he acted fraudulently or dishonestly; or

(ii) has been convicted of an offence under this Act;

(m) the applicant fails to satisfy the Authority —

(i) that it is a fit and proper person to be licensed; or

(ii) that all of its officers, employees and substantial shareholders are fit and proper persons;

(n) the Authority has reason to believe that the applicant may not act in the best interests of its clients, having regard to the reputation, character, financial integrity and reliability of the applicant or any of its officers, employees or substantial shareholders;

(o) the Authority is not satisfied as to —

(i) the financial standing of the applicant or any of its substantial shareholders;

(ii) the manner in which the applicant's business is to be conducted;
or

(iii) the record of past performance or expertise of the applicant, having regard to the nature of the business which the applicant may carry on in connection with the holding of the licence;

(p) there are other circumstances which are likely —

(i) to lead to the improper conduct of business by the applicant, or any of its officers, employees or substantial shareholders; or

(ii) to reflect discredit on the manner of conduct of the business of the applicant or any of its substantial shareholders; or

(q) the Authority is of the opinion that it would be contrary to the public interest to grant ~~or renew~~ the licence.

(2) For the purposes of subsection (1) (c) —

(a) the Authority may prescribe different amounts of cover under a professional indemnity insurance policy according to the activities undertaken or to be undertaken by any applicant; and

(b) “professional indemnity insurance policy” means a contract of insurance with an insurer under which a person is indemnified in respect of the liabilities arising out of or in the course of his business as a financial adviser.

(3) Subject to subsection (4), the Authority shall not refuse an application for the grant ~~or renewal~~ of a financial adviser’s licence without giving the applicant an opportunity to be heard.

(4) The Authority may refuse an application for the grant ~~or renewal~~ of a financial adviser’s licence on any of the following grounds without giving the applicant an opportunity to be heard:

(a) the applicant is in the course of being wound up or otherwise

dissolved, whether in Singapore or elsewhere;

(b) a receiver, a receiver and manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of any property of the applicant;

(c) a prohibition order under section 59 has been made by the Authority, and remains in force, against the applicant;

(d) the applicant has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty or the conviction for which involved a finding that it had acted fraudulently or dishonestly.

~~Requirements for refusal to grant or renewal of representative's licence~~

~~11. (1) The Authority may refuse an application for the grant or renewal of a representative's licence if —~~

~~(a) the applicant is not an individual;~~

~~(b) the applicant is not a fit and proper person to be licensed;~~

~~(c) the applicant has not furnished the Authority with such information or documents as may be required under section 8 (2);~~

~~(ca) any information or document that is furnished by the applicant to the Authority is false or misleading;~~

~~(d) the applicant is an undischarged bankrupt, whether in Singapore or elsewhere;~~

~~(e) the applicant has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with his creditors, being a compromise or scheme of arrangement that is still in operation;~~

~~(f) execution against the applicant in respect of a judgment debt has been returned unsatisfied in whole or in part;~~

~~(g) the Authority is not satisfied as to the educational qualification or experience of the applicant, having regard to the nature of the duties of a licensed representative;~~

~~(h) the Authority has reason to believe that the applicant will not perform the functions of a representative efficiently, honestly or fairly;~~

~~(i) a prohibition order under section 59 has been made by the Authority, and remains in force, against the applicant;~~

~~(j) the applicant —~~

~~(i) has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty or the conviction for which involved a finding that he acted fraudulently or dishonestly; or~~

~~(ii) has been convicted of an offence under this Act;~~

~~(k) the Authority has reason to believe that the applicant may not act in the best interests of the clients of the financial adviser of which he is a representative, having regard to his reputation, character, financial integrity and reliability;~~

~~(l) the Authority is not satisfied as to —~~

~~(i) the financial standing of the applicant; or~~

~~(ii) the record of past performance or expertise of the applicant;~~

~~(m) there are other circumstances which are likely to lead to the improper conduct of business by, or which reflect discredit on the manner of conduct of the business of, the applicant or any person employed by or associated with him for the purpose of his business;~~

~~(n) the applicant is in arrears in the payment of such contributions on his own behalf as a self-employed person to the Central Provident Fund as are required under the Central Provident Fund Act (Cap. 36); or~~

~~(o) the Authority is of the opinion that it would be contrary to the public interest to grant or renew the licence.~~

~~(2) The Authority may, for the purposes of subsection (1) (g), specify in written directions the qualifications to be obtained by any class or description of applicants for representative's licences.~~

~~(3) Subject to subsection (4), the Authority shall not refuse an application for the grant or renewal of a representative's licence without giving the applicant an opportunity to be heard.~~

~~(4) The Authority may refuse an application for the grant or renewal of a representative's licence on any of the following grounds without giving the applicant an opportunity to be heard:~~

~~(a) the applicant is an undischarged bankrupt, whether in Singapore or elsewhere;~~

~~(b) a prohibition order under section 59 has been made by the Authority, and remains in force, against the applicant;~~

~~(c) the applicant has been convicted, whether in Singapore or elsewhere, of an offence —~~

~~(i) involving fraud or dishonesty or the conviction for which involved a finding that he had acted fraudulently or dishonestly; and~~

~~(ii) punishable with imprisonment for a term of 3 months or more.~~

Representative to act for only one financial adviser

12. —(1) Subject to subsection (2), ~~no licensed~~ representative shall, at any one time, be a representative of more than one financial adviser.

appointed

An appointed

(2) ~~A licensed~~ representative may be a representative of more than one financial adviser if the financial advisers are related corporations.

appointed

(3) Any ~~licensed~~ representative who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

Grant ~~or renewal of~~ licence

financial adviser's

13. —(1) The Authority may grant ~~or renew~~ any licence, subject to such conditions or restrictions as it thinks fit.

financial adviser's

(2) Without prejudice to the generality of subsection (1), the Authority may —

~~(a)~~ in granting ~~or renewing~~ any licence, impose conditions or restrictions with respect to the type of financial advisory service which may or may not be provided by the licensee described in

financial adviser's

such manner as the Authority may consider appropriate; or

licensed financial adviser

~~(b) in granting or renewing a representative's licence, relate the representative's licence to the financial adviser which supported the application for the licence.~~

—

(3) The Authority may at any time add to, vary or revoke any condition or restriction of a licence.

financial adviser's

(4) Any licensed financial adviser which contravenes any condition or restriction imposed by the Authority under this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.

~~(5) Any licensed representative who contravenes any condition or restriction imposed by the Authority under this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.~~

Licence fees

14. —(1) Every licensee shall pay to the Authority such licence fees as may be prescribed.

licensed financial adviser

(2) Any licence fee paid to the Authority under this Act shall not be refunded or remitted if —

(a) during the period to which the licence fee relates, the licence is revoked or suspended or lapses under section 19;

~~(b) the licence fee is paid in relation to an application for the renewal of a licence and such application is withdrawn after the date on which, but for its renewal, the licence would have expired;~~

(c) during the period to which the licence fee relates, the licensee fails or ceases to provide any financial advisory service; or

licensed financial adviser

(d) a prohibition order has been made against the licensee under section 59.

(3) Subject to subsection (2), the Authority may, where it considers appropriate, refund or remit the whole or part of any licence fee paid or payable to it.

Period of licence

~~15.—(1) Subject to subsection (2) and section 8 (6), a licence shall be in force for a period of 3 years, or such other period as the Authority may specify in writing to the licensee, from the date of its issue under this Act.~~

~~(2) A licence that has been renewed in accordance with the provisions of this Part shall continue in force for a period of 3 years, or such other period as the Authority may specify in writing~~

to the licensee, from the date immediately following that on which, but for its renewal, the licence would have expired.

Variation of licence

16. —(1) A licensee may apply to the Authority, in such form and manner as may be prescribed, to vary his licence —

(a) by adding one or more types of financial advisory service authorised to be provided by his licence; or

(b) by adding one or more types of investment product in respect of which he provides any financial advisory service.

financial adviser's

licensed financial adviser

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(1A) The Authority may require an applicant to furnish it with such information or documents as it considers necessary in relation to the application.

(2) An application under subsection (1) —

~~(a) shall be accompanied by a non-refundable application fee of such amount as may be prescribed, which shall be paid in the manner specified by the Authority; and~~

~~(b) if made in respect of a representative's licence, shall be supported by a person who is —~~

~~(i) a licensed financial adviser in respect of the type or types of financial advisory service or investment product (as the case may be) to be added to the representative's licence; or~~

~~(ii) a licensed financial adviser which has applied under subsection (1) to add to its licence the type or types of financial advisory service or investment product (as the case may be) to be added to the representative's licence.~~

~~(2A) An application under subsection (1), if made in respect of a representative's licence, shall be deemed to be withdrawn with effect from the date on which the licensed financial adviser which supported the application —~~

~~(a) withdraws its support in writing;~~

~~(b) withdraws its application to add to its licence the type or types of financial advisory service or investment product (as the case may be) to be added to the representative's licence; or~~

~~(c) has its application to add to its licence the type or types of financial advisory service or investment product (as the case may be) to be added to the representative's licence refused by the Authority.~~

~~[15/2003]~~

(3) The Authority may approve an application under subsection (1) subject to such conditions or restrictions as the Authority thinks fit, or may refuse the application on any of the grounds set out in section 9 (1) ~~or 11 (1)~~, as the case may be.

(4) The Authority shall not refuse an application under subsection (1) without giving the applicant an opportunity to be heard.

False statements in relation to application for grant, ~~renewal or variation of~~ licence

17. Any person who, in connection with an application for the grant, ~~renewal or variation of~~ a licence —

financial adviser's

financial adviser's

(a) without reasonable excuse, makes any statement which is false or misleading in a material particular; or

(b) without reasonable excuse, omits to state any matter or thing without which the application is misleading in a material respect,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

Notification of change in particulars, etc.

← of a licensed financial adviser

18. —(1) Where —

(a) a licensed financial adviser ceases to act as a financial adviser; or

(b) a change occurs in any matter in relation to a licensed financial adviser, particulars of which are required to be entered in the register of licensees under section 63, the licensed financial adviser shall, not later than 14 days after the occurrence of that event, furnish particulars of the event to the Authority in the prescribed form.

licensed financial advisers
record

(2) Where —

~~(a) a licensed representative ceases to be the representative of a licensed financial adviser; or~~

~~(b) a change occurs in any matter in relation to a licensed representative, particulars of which are required to be entered in the register of licensees under section 63,~~

~~the licensed representative shall, not later than 14 days after the occurrence of that event, furnish particulars of the event to the Authority in the prescribed form.~~

~~(3) A person who ceases to act as a licensed financial adviser or a licensed representative, as the case may be, shall return the licence to the Authority within 14 days of the date of the cessation.~~

~~(4) Any person who, without reasonable excuse, contravenes this section shall be guilty of an offence.~~

~~**Lapsing, revocation, suspension and expiry of licence**~~

~~19. —(1) A licence shall lapse —~~

~~(a) in the case of a licensed financial adviser, if it is wound up or otherwise dissolved, whether in Singapore or elsewhere;~~

Lapsing, revocation and suspension of financial adviser's licence

19. —(1) A financial adviser's licence shall lapse —

(a) if the licensed financial adviser is wound up or otherwise dissolved, whether in Singapore or elsewhere; or

(b) in the event of such other occurrence or in such other circumstances as may be prescribed.

~~(b) in the case of a licensed representative, if he dies or becomes mentally incapacitated; or~~

~~(c) in the event of such other occurrence or in such other circumstances as may be prescribed.~~

~~(2) The Authority may revoke a licence —~~

~~(a) in the case of a licensed financial adviser, if —~~

~~(i) there exists a ground on which the Authority may refuse an application under section 9 (1);~~

~~(ii) the financial adviser has contravened any provision of this Act, or any condition or restriction imposed or any written direction given by the Authority under this Act;~~

~~(iii) it appears to the Authority that the financial adviser has failed to satisfy any of its obligations under or arising from this Act;~~

~~(iv) it appears to the Authority that the financial adviser is carrying on its business in a manner that is —~~

~~(A) likely to be detrimental to its clients; or~~

~~(B) contrary to the public interest;~~

~~(iva) any information or document that is furnished by the financial adviser to the Authority is false or misleading; or~~

(2) The Authority may revoke a financial adviser's licence if —

(a) there exists a ground on which the Authority may refuse an application under section 9 (1);

(b) the licensed financial adviser has contravened any provision of this Act, or any condition or restriction imposed or any written direction given by the Authority under this Act;

(c) it appears to the Authority that the licensed financial adviser has failed to satisfy any of its obligations under or arising from this Act;

(d) it appears to the Authority that the licensed financial adviser is carrying on its business in a manner that is —

(i) likely to be detrimental to its clients; or

(ii) contrary to the public interest;

(iii) any information or document that is furnished by the licensed financial adviser to the Authority is false or misleading; or

(e) the licensed financial adviser fails or ceases to carry on the business for which it was licensed.

(3) The Authority may, if it considers it desirable to do so —

(a) suspend a financial adviser's licence for a specific period instead of revoking it under subsection (2); and

(b) at any time extend or revoke the suspension.

(4) Subject to subsection (5), the Authority shall not revoke or suspend a financial adviser's licence under subsection (2) or (3), respectively, without giving the licensed financial adviser an opportunity to be heard.

~~(v) the financial adviser fails or ceases to carry on the business for which it was licensed; or~~

~~(b) in the case of a licensed representative, if —~~

~~(i) there exists a ground on which the Authority may refuse an application under section 11 (1);~~

~~(ii) the representative has contravened any provision of this Act, or any condition or restriction imposed or any written direction given by the Authority under this Act;~~

~~(iii) it appears to the Authority that the representative has failed to satisfy any of his obligations under or arising from this Act;~~

~~(iv) it appears to the Authority that the representative is carrying on his functions in a manner that is —~~

~~(A) likely to be detrimental to the clients of the financial adviser of which he is a representative; or~~

~~(B) contrary to the public interest;~~

~~(iva) any information or document that is furnished by the representative to the Authority is false or misleading;~~

~~(v) the representative fails or ceases to perform the functions for which he was licensed; or~~

~~(vi) the licence of the financial adviser of which he is a representative is revoked.~~

(5) The Authority may revoke or suspend a financial adviser's licence under subsection (2) or (3), respectively, without giving the licensed financial adviser an opportunity to be heard on any of the following grounds:

(a) the licensed financial adviser is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;

(b) a receiver, a receiver and manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of any property of the licensed financial adviser;

(c) a prohibition order under section 59 has been made by the Authority, and remains in force, against the licensed financial adviser; or

(d) the licensed financial adviser has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty or the conviction for which involved a finding that it had acted fraudulently or dishonestly.

(6) A person whose financial adviser's licence is revoked or suspended shall cease to act as a financial adviser from the date on which the revocation or suspension takes effect.

(7) A financial adviser whose licence is revoked or suspended shall immediately inform all of its representatives, in writing, of such revocation or suspension.

(8) Any lapsing, revocation or suspension of a financial adviser's licence shall not operate so as to —

(a) avoid or affect any agreement, transaction or arrangement, relating to any investment product, entered into by the licensed

~~(3) The Authority may, if it considers it desirable to do so —~~

~~(a) suspend a licence for a specific period instead of revoking it under subsection (2); and~~

~~(b) at any time extend or revoke the suspension.~~

~~(4) Subject to subsection (5), the Authority shall not revoke or suspend a licence under subsection (2) or (3), respectively, without giving the licensee an opportunity to be heard.~~

~~(5) The Authority may revoke or suspend a licence under subsection (2) or (3), respectively, without giving the licensee an opportunity to be heard —~~

~~(a) in the case of a licensed financial adviser, on any of the following grounds:~~

~~(i) the licensee is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;~~

~~(ii) a receiver, a receiver and manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of any property of the licensee;~~

~~(iii) a prohibition order under section 59 has been made by the Authority, and remains in force, against the licensee;~~

~~(iv) the licensee has been convicted, whether in Singapore or~~

financial adviser, whether the agreement, transaction or arrangement was entered into before or after the lapsing, revocation or suspension of the licence; or

(b) affect any right, obligation or liability arising under any agreement, transaction or arrangement referred to in paragraph (a).

(9) Any person who continues to act as a financial adviser in contravention of subsection (6) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$150,000 and, in the case of a continuing offence, to a further fine not exceeding \$15,000 for every day or part thereof during which the offence continues after conviction.

(10) Any financial adviser which contravenes subsection (7) 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 not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

~~elsewhere, of an offence involving fraud or dishonesty or the conviction for which involved a finding that it had acted fraudulently or dishonestly; or~~

~~(b) in the case of a licensed representative, on any of the following grounds:~~

~~(i) the licensee is an undischarged bankrupt, whether in Singapore or elsewhere;~~

~~(ii) a prohibition order under section 59 has been made by the Authority, and remains in force, against the licensee;~~

~~(iii) the licensee has been convicted, whether in Singapore or elsewhere, of an offence —~~

~~(A) involving fraud or dishonesty or the conviction for which involved a finding that he had acted fraudulently or dishonestly; and~~

~~(B) punishable with imprisonment for a term of 3 months or more.~~

~~(6) A person whose licence is revoked or suspended shall cease to act as a financial adviser or representative, as the case may be, from the date on which the revocation or suspension takes effect.~~

~~(7) A financial adviser whose licence is revoked or suspended shall immediately inform all of its representatives, in writing, of such revocation or suspension.~~

~~(8) Every representative who has been informed of the revocation or suspension of the licence of the financial adviser of which he is a representative shall —~~

~~(a) in the case of revocation, immediately cease to act as a representative of the financial adviser; or~~

~~(b) in the case of suspension, immediately cease to act as a representative of the financial adviser during the period of the suspension.~~

~~(9) Any lapsing, revocation, suspension or expiry of a licence shall not operate so as to —~~

~~(a) avoid or affect any agreement, transaction or arrangement, relating to any investment product, entered into by the licensee, whether the agreement, transaction or arrangement was entered into before or after the lapsing, revocation, suspension or expiry of the licence; or~~

~~(b) affect any right, obligation or liability arising under any agreement, transaction or arrangement referred to in paragraph (a).~~

~~(10) Any person who continues to act as a financial adviser in contravention of subsection (6) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$150,000 and, in the case of a continuing offence, to a further fine not exceeding \$15,000 for every day or part thereof during which the offence continues after conviction.~~

~~(11) Any person who continues to act as a representative in~~

~~contravention of subsection (6) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.~~

~~(12) Any financial adviser which contravenes subsection (7) 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 not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.~~

~~(13) Any representative who contravenes subsection (8) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.~~

Right of appeal

20. Any person who is aggrieved —

(a) by the refusal of the Authority to grant a ~~licence to him, or to renew or vary his~~ licence; or

(b) by the revocation or suspension of ~~his~~ licence by the Authority,

financial adviser's licence to it,

its

its

may, within 30 days of the refusal, revocation or suspension, appeal in writing to the Minister.

Use of words “financial adviser” or “life insurance broker”

21. —(1) No person, other than —

(a) a licensed financial adviser;

(b) an exempt financial adviser; or

(c) a person, or a person belonging to a class of persons, approved by the Authority,

shall —

(i) use the words “financial adviser” in any language, or any other word indicating that that person carries on business as a financial adviser, in the name, description or title under which it carries on business in Singapore; or

(ii) make any representation to such effect in any bill head, letter paper, notice, advertisement, publication or writing, whether in electronic, print or other form.

(2) Nothing in this section shall prohibit —

(a) ~~a licensed representative of a licensed financial adviser; or~~

an appointed representative of a licensed financial adviser or an exempt financial adviser (other than a person referred to in section 23(1)(ea) or (f)); or

(b) a representative of an exempt financial adviser,

referred to in section 23(1)(ea) or (f)

from using the words “financial adviser” together with the word “representative” or any other word indicating that he is a representative of a financial adviser.

(3) No person, other than —

(a) a licensed financial adviser which is authorised by its licence to provide any financial advisory service in respect of life policies;

(b) an exempt financial adviser which provides any financial advisory service in respect of life policies; or

(c) a person, or a person belonging to a class of persons, approved by the Authority,

shall —

(i) use the words “life insurance broker” or any of its derivatives in any language, or any other word indicating that that person carries on business of providing any financial advisory service in respect of life policies, in the name, description or title under which he carries on business in Singapore; or

(ii) make any representation to such effect in any bill head, letter paper, notice, advertisement, publication or writing, whether in electronic, print or other form.

(4) Nothing in this section shall prohibit —

(a) ~~a licensed representative of a licensed financial adviser which is authorised by his licence to provide~~ any financial advisory service in respect of life policies; or

(b) a representative of an exempt financial adviser which provides any financial advisory service in respect of life policies,

an appointed representative of a licensed financial adviser or an exempt financial adviser (other than a person referred to in section 23(1)(ea) or (f) which provides

referred to in section 23(1)(ea) or (f)

from using the words “life insurance broker” together with the word “representative” or any other word indicating that he is a representative of a financial adviser providing any financial advisory service in respect of life policies.

(5) Any person who contravenes subsection (1) or (3) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$12,500 and, in the case of a continuing offence, to a further fine not exceeding \$1,250 for every day or part thereof during which the offence continues after conviction.

Holding out as financial adviser

22. — (1) No person shall hold himself out to be a financial adviser unless he is a licensed financial adviser, an exempt financial adviser or a person specified in the First Schedule.

(2) Any person who contravenes this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$75,000 or to imprisonment for a term not exceeding 3 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$7,500 for every day or part thereof during which the

offence continues after conviction.

Exempt financial advisers and their representatives

23. —(1) Subject to subsection (10), the following persons shall be exempt from holding a financial adviser's licence to act as a financial adviser in Singapore in respect of any financial advisory service:

(a) a bank licensed under the Banking Act (Cap. 19);

(b) a merchant bank approved as a financial institution and approved to carry on a business of providing any financial advisory service under the Monetary Authority of Singapore Act (Cap. 186);

(c) a company or society registered under the Insurance Act (Cap. 142);

(d) a holder of a capital markets services licence under the Securities and Futures Act (Cap. 289);

(e) a finance company which has been granted an exemption from section 25 (2) of the Finance Companies Act (Cap. 108) to carry on a business of providing any financial advisory service;

(ea) a securities exchange, a futures exchange, a recognised market operator, or an approved holding company, in respect of the provision of any financial advisory service that is solely incidental to its operation of a securities market, a futures market, or to its

performance as an approved holding company, as the case may be;
and

(f) such other persons or classes of persons as may be prescribed.

(2) *(Deleted by Act 2 of 2005)*

(3) *(Deleted by Act 2 of 2005)*

(4) Subject to the provisions of this Act, sections 25 to 29, 32, 33, 34 and 36 shall apply, with the necessary modifications, to an exempt financial adviser (other than a person referred to in subsection (1) *(ea)* or *(f)*) in respect of its business of providing any financial advisory service as if it is a licensed financial adviser.

~~(5) Subject to the provisions of this Act, sections 12, 25, 26, 27, 29, 33, 34 and 36 shall apply, with the necessary modifications, to a representative of an exempt financial adviser (other than a person referred to in subsection (1) *(ea)* or *(f)*) in respect of his acting as such as if he is a licensed representative.~~

(5A) Subject to the provisions of this Act, sections 25, 26 and 36 shall apply, with the necessary modifications, to —

(a) a person referred to in subsection (1) *(ea)* in respect of its

business of providing any financial advisory service as if it is a licensed financial adviser; and

(b) any of its representatives in respect of his acting as such as if he is a licensed representative.

an appointed

~~(5B) Subject to the provisions of this Act, section 70 shall apply, with the necessary modifications, to—~~

~~(a) an exempt financial adviser in respect of its business of providing any financial advisory service as if it is a licensed financial adviser; and~~

~~(b) a representative of an exempt financial adviser in respect of his acting as such as if he is a licensed representative.~~

and

(5C) For the avoidance of doubt, references in subsections (4), (5), (5A) and (5B) to specific sections in this Act that apply to exempt financial advisers or their representatives, respectively, do not include references to any regulations made under those sections unless the Authority prescribes that such regulations so apply.

of persons referred to in subsection (1)(ea)

(6) The Authority may, on the application of an exempt financial

adviser (other than a person referred to in subsection (1) (f)), exempt it ~~or any of its representatives~~ from complying with any of the provisions referred to in subsection (4), ~~(5)~~, (5A) ~~or (5B)~~ , as the case may be.

and

(6A) The Authority may, on the application of an exempt financial adviser under subsection (1)(ea) exempt any of its representatives from complying with any of the provisions referred to in subsection (5A), as the case may be.

(7) The Authority may prescribe or specify in written directions the provisions of this Act that apply to the persons referred to in subsection (1) (f) or their representatives.

(8) An exemption granted under subsection (6) need not be published in the *Gazette*.

(9) The Authority may prescribe or specify in written directions such conditions or restrictions as may be ~~imposed on an exempt financial adviser or any of its representatives~~ in relation to the provision of any financial advisory service as the Authority thinks fit.

a representative of a person referred to in subsection (1)(ea) or (f)

(10) The Authority may withdraw an exemption granted to any person under this section if the person contravenes any provision of this Act, or if the Authority considers it necessary in the public interest.

(11) Where the Authority withdraws an exemption granted to any person under this section, the Authority need not give the person an

opportunity to be heard.

(12) An exempt financial adviser which is aggrieved by the decision of the Authority to withdraw an exemption granted to it under this section may, within 30 days of the decision, appeal in writing to the Minister.

(13) A withdrawal under subsection (10) of an exemption granted to any person shall not operate so as to —

(a) avoid or affect any agreement, transaction or arrangement, relating to any investment product entered into by the person, whether the agreement, transaction or arrangement was entered into before or after the withdrawal of the exemption; or

(b) affect any right, obligation or liability arising under any agreement, transaction or arrangement referred to in paragraph (a).

(14) Any exempt financial adviser which contravenes any condition or restriction imposed under subsection (9) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000 and, in the case of a continuing offence, to a further fine not exceeding \$10,000 for every day or part thereof during which the offence continues after conviction.

(15) Any representative who contravenes any condition or restriction imposed under subsection (9) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.



Annual fees ←

Annual fees payable by exempt financial advisers and certain representatives

23A. —(1) Every exempt financial adviser and representative of an ~~exempt financial adviser~~ shall pay to the Authority such annual fee as may be prescribed and in such manner as may be specified by the Authority.

of a person exempted under section 23(1)(ea) or (f)

(2) Any annual fee paid by an exempt financial adviser or a representative of an ~~exempt financial adviser~~ to the Authority under subsection (1) shall not be refunded or remitted if —

a person exempted under section 23(1)(ea) or (f)

~~(a) during the period to which the annual fee relates, the exemption of the exempt financial adviser or representative, as the case may be, is withdrawn;~~

~~(b) during the period to which the annual fee relates, the exempt financial adviser or representative, as the case may be, fails or ceases to provide any financial advisory service; or~~

~~(c) a prohibition order has been made against the exempt financial adviser or representative, as the case may be, under section 59.~~

(a) in the case of an exempt financial adviser -

(i) its exemption is withdrawn;

(ii) it fails or ceases to provide any financial advisory service;
or

(iii) a prohibition order has been made against it under section 59.

during the period to which the annual fees relates; and

(3) Subject to subsection (2), the Authority may, where it considers appropriate, refund or remit the whole or part of any annual fee paid or payable to it.

(b) in the case of a representative exempted under section 23(1)(ea) or (f) -

(i) his exemption is withdrawn;

(ii) he fails or ceases to act as a representative in respect of that regulated activity; or

(iii) a prohibition order has been made against him under section 59,

during the period to which the annual fee relates.

Division 2 - Representatives

Acting as a representative

23B. — (1) No person shall act as a representative in respect of any financial advisory service or hold himself out as doing so, unless he is –

(a) an appointed representative in respect of such financial advisory service that has been notified to the Authority; or

(b) a representative of an exempt person under section 23 (1)(ea) and (f) in so far as –

(i) the type and scope of financial advisory service provided by the first-mentioned person are within the type and scope of, or are the same as, those provided by the exempt person (in his capacity as an exempt person; and

(ii) the manner in which the first-mentioned person provides financial advisory service referred to in subsection (1) is the same as the manner in which the exempt person (in his capacity as an exempt person provides financial advisory service.

(2) The Authority may exempt any person or class of persons from subsection (1), subject to such conditions or restrictions as may be imposed by the Authority.

(3) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not

exceeding \$25,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

Appointed representative

23C. — (1) A person may act as an appointed representative in respect of the provision of any financial advisory service if —

(a) the person is an individual;

(b) the following documents have been lodged by his principal with the Authority in such form and manner as the Authority may prescribe:

(i) a notice of intent by the principal to appoint the individual to act as an appointed representative; and

(ii) a certification by the principal that the individual is a fit and proper person to be an appointed representative;

(c) his name has been listed on the Authority's public register of representatives; and

(d) he provides only the financial advisory services that -

(i) his principal is licensed to provide; or

(ii) are provided by his principal in his capacity as a person exempted from the requirement to hold a financial adviser's licence under section 23(1)(a) to (e).

(2) The Authority may require the principal or individual to furnish it with such information or documents as the Authority considers necessary in relation to the intended appointment of the individual as an appointed representative and the principal or the individual, as the case may be, shall comply with such a request.

(3) An individual shall immediately cease to act as an appointed representative to provide any financial advisory service on the date —

(a) of his cessation to act as an appointed representative, as notified by his principal to the Authority, in such form and manner as the Authority may prescribe;

(b) his principal ceases to provide that financial advisory service;

(c) the licence of his principal in respect of that financial advisory service is revoked, has lapsed or if a prohibition order is made against the principal;

(d) the individual dies; or

(e) of such other circumstances as the Authority may prescribe, whichever is earlier.

(4) An individual shall not provide any financial advisory service as an appointed representative during the period in which the licence of his principal in respect of that financial advisory service is suspended.

(5) An individual who is not allowed to provide financial advisory

service under subsection (4) and who has ceased to act as a representative of the principal who has been suspended may, subject to compliance with subsection (1), provide financial advisory service as an appointed representative for a new principal.

(6) A cessation by an individual to provide financial advisory service under subsection (3) or where an individual does not provide any financial advisory service by virtue of him not being allowed to provide financial advisory service under subsection (4) shall not operate so as to –

(a) avoid or affect any agreement, transaction or arrangement relating to any investment product, entered into by such person, whether the agreement, transaction or arrangement was entered into before or after the cessation; or

(b) affect any right, obligation or liability arising under any such agreement, transaction or arrangement.

(7) Where the individual is required to cease to act as an appointed representative under subsection (3) or is not allowed to provide financial advisory service under subsection (4), the Authority need not give the individual an opportunity to be heard.

(8) A principal shall not permit any individual to provide any financial advisory service on its behalf as its appointed representative unless the individual is an appointed representative under subsection (1) and the principal has lodged the documents required under subsection (1)(b).

(9) Where a change occurs in any particulars of the appointed representative required to be furnished to the Authority under subsection 1(b); the principal shall, no later than 14 days after the occurrence of such change, furnish particulars of such change to the Authority, in the prescribed form and manner.

(10) Where

(a) the individual ceases to act as an appointed representative for his principal; or

(b) the individual ceases to provide any type of financial advisory service or financial advisory service in respect of any type of investment product which he is appointed to provide,

the principal shall, no later than the next business day after such cessation, furnish particulars of such cessation to the Authority, in the prescribed form and manner.

(11) The principal shall make such notification and in such form and manner as may be prescribed by the Authority.

(12) Where a person satisfies all the requirements of an appointed representative under this section but for the examination requirements issued by way of written directions under section 58 of the Act by the Authority, the Authority may allow such a person to act as an appointed representative for such period of time as the Authority may prescribe or such other period as the Authority may by notice in writing allow, in respect of such notified financial advisory service (referred to in this Act as a

provisional representative), subject to the following conditions:

(a) the principal lodges with the Authority in such form and manner as the Authority may prescribe an undertaking in respect of its intent to appoint an individual to act as a provisional representative;

(b) that the person thereafter satisfies the examination requirements in respect of the notified financial advisory service within such period as may be prescribed by the Authority or such other period as the Authority may by notice in writing allow;

(c) that the person satisfies such other conditions and restrictions as the Authority may impose; and

(d) that the person is not, by virtue of the circumstances prescribed by the Authority, disqualified from acting as a provisional representative.

(13) If a person who is allowed to act as a provisional representative under subsection (12) fails to comply with such conditions and restrictions as may be imposed by the Authority under that subsection, that person shall immediately cease to act as a provisional representative.

(14) Where a provisional representative has satisfied the examination requirements within the period prescribed or allowed by the Authority under subsection (12)(b), the principal of the provisional representative shall inform the Authority, in the prescribed form and manner, that the provisional representative has satisfied the examination requirements in respect of the

relevant notified financial advisory service.

(15) Upon notification by the principal under subsection (14), the provisional representative shall cease to be a provisional representative and may act as an appointed representative to provide such notified financial advisory service.

(16) For the avoidance of doubt, nothing shall prevent the principal of a provisional representative from informing the Authority of the satisfaction of the examination requirements in respect of any notified financial advisory service under subsection (14) before the expiry of the prescribed period, or such other period of time as allowed by the Authority, under subsection (12)(b) provided that upon the principal informing the Authority of the satisfaction of the examination requirements in respect of any notified financial advisory service, the provisional representative shall immediately cease to act as a provisional representative to provide such other notified financial advisory service for which the examination requirements have not been satisfied.

(17) Where the principal of a provisional representative fails to inform the Authority that the provisional representative has completed the examination requirements by the prescribed period, or such other period of time as allowed by the Authority, under subsection 12(b) above, the provisional representative shall immediately cease to act as a provisional representative.

(18) Any person who contravenes subsection (1), (2), (3), (4), (13) or (17) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

(19) Any person who contravenes subsection (8), (9), (10), (11), or (14) 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 not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

(20) The Authority may exempt any person or class of persons from the requirements of this section, subject to such conditions or restrictions as may be imposed by the Authority.

Notification and annual fees

23D. — (1) A principal shall pay such notification fee in relation to the notification of an individual intending to act as his appointed representative as may be prescribed by the Authority.

(2) A principal shall pay such annual fee in relation to the notification of an individual intending to act as his appointed representative as may be prescribed by the Authority.

(3) A principal shall pay such fee in relation to any resubmission of a form or change in particulars of a form lodged with the Authority as may be prescribed by the Authority.

(4) Unless otherwise prescribed by the Authority, any fee paid to the Authority under this section shall not be refunded.

(5) Where the principal fails to pay such notification fee or annual fee, as the case may be, by the day on which the fee is due, the Authority may impose a late payment fee not exceeding \$100 for every day or part thereof that the payment is late, subject to a maximum of \$3,000.

Additional financial advisory service

23E. —(1) An appointed representative (other than a provisional representative) may carry out additional financial advisory service to those notified to the Authority under section 23C if –

(a) the following documents have been lodged by his principal with the Authority in such form and manner as the Authority may prescribe:

- (i) a notice of intent by the principal;
- (ii) a certification by the principal that the individual is a fit and proper person to be an appointed representative in respect of that additional financial advisory service;

(b) his name has been listed on the Authority's public

register of representatives in respect of that additional financial advisory service; and

(c) he provides only financial advisory service that –

(i) his principal is licensed to provide; or

(ii) provided by his principal in his capacity as a person exempted from the requirement to hold a financial adviser's licence under section 23(1)(a) to (e).

(2) The Authority may require the principal or individual to furnish it with such information or documents as the Authority considers necessary in relation to the intended appointment of an individual as an appointed representative in relation to the additional financial advisory service and the principal or the individual, as the case may be, shall comply with such a request.

(3) A notification under subsection (1) shall be accompanied by a non-refundable prescribed notification fee which shall be paid in the manner specified by the Authority.

Power of Authority to refuse to enter, revoke or suspend

23F – (1) Subject to regulations made under this Act, the Authority may refuse to enter or revoke, an individual from the Authority's public register of representatives if —

(a) he fails or ceases to act as a appointed representative in respect of all the financial advisory services for which his notification relates;

(b) he or his principal has not provided the Authority with such

information or documents as the Authority may require;

(c) he is an undischarged bankrupt whether in Singapore or elsewhere;

(d) execution against him in respect of a judgment debt has been returned unsatisfied in whole or in part;

(e) he has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with his creditors, being a compromise or scheme of arrangement that is still in operation;

(f) he —

(i) has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty or the conviction for which involved a finding that he had acted fraudulently or dishonestly; or

(ii) has been convicted of an offence under this Act;

(g) the Authority is not satisfied as to his educational or other qualification or experience, having regard to the nature of the duties he is to perform in relation to the relevant financial advisory service;

(h) he or his principal fails to satisfy the Authority that he is a fit and proper person;

(i) the Authority has reason to believe that he may not act in the best interests of the clients of his principal, having regard to his reputation, character, financial integrity and reliability;

(j) the Authority is not satisfied as to his financial standing;

(k) the Authority is not satisfied as to his record of past performance or expertise, having regard to the nature of the duties which he may perform in relation to the provision of the relevant

financial advisory service;

(l) there are other circumstances which are likely to lead to the improper conduct of business by, or reflect discredit on the manner of conducting the business of, the individual or any person employed by or associated with him for the purpose of his business;

(m) the individual is in arrears in the payment of such contributions on his own behalf to the Central Provident Fund as are required under the Central Provident Fund Act (Cap. 36);

(n) the Authority has reason to believe that he will not perform the relevant financial advisory service efficiently, honestly or fairly;

(o) the Authority is of the opinion that it would be contrary to the interests of the public to enter the individual's name in or keep his name on the public register of representatives as an appointed representative;

(p) the Authority has reason to believe that any information or document that is furnished by him or his principal to the Authority is false or misleading;

(q) he has contravened any provision of this Act applicable to him, any condition or restriction imposed on him under this Act or any direction issued to him by the Authority under this Act;

(r) a prohibition order under section 59 has been made by the Authority, and remains in force, against him; or

(s) the licence of his principal is revoked.

(2) The Authority may, if it considers it desirable to do so –

(a) suspend an appointed representative from providing financial advisory service for a specific period instead of revoking the notification under subsection (1); and

(b) at any time extend or revoke the suspension.

(3) The Authority shall not refuse to enter, revoke or suspend an individual under subsection (1)(p) if –

(a) in the case where the individual furnished false or misleading information or document to the Authority, the individual proves that he had -

(i) made all inquiries (if any) that were reasonable in the circumstances; and

(ii) after doing so, believed on reasonable grounds that the information or document was not false or misleading;

(b) in the case where the principal furnished false or misleading information or document to the Authority and -

(i) such information or document was furnished to the principal by the individual, the individual proves that he had -

(A) made all inquiries (if any) that were reasonable in the circumstances; and

(B) after doing so, believed on reasonable grounds that the information or document was not false or misleading; or

(ii) such information or document was not furnished to the principal by the individual, the principal proves that he had -

(A) made all inquiries (if any) that were reasonable in

the circumstances; and

(B) after doing so, believed on reasonable grounds that the information or document was not false or misleading.

(4) Subject to subsection (3), the Authority shall not refuse to enter, suspend or remove from notification, an individual in the Authority's public register of representatives, without giving him an opportunity to be heard.

(5) The Authority may refuse to enter, suspend or remove from notification, an individual from the Authority's public register of representatives, on any of the following grounds without giving him an opportunity to be heard:

(a) he is an undischarged bankrupt, whether in Singapore or elsewhere;

(b) he has been convicted, whether in Singapore or elsewhere, of an offence —

(i) involving fraud or dishonesty or the conviction for which involved a finding that he had acted fraudulently or dishonestly; and

(ii) punishable with imprisonment for a term of 3 months or more.

(6) An individual who has been suspended from acting as an appointed representative to provide financial advisory service shall cease to act as an appointed representative from the date on which

the suspension takes effect until the expiration of the period of suspension.

(7) Any appointed representative who provides a financial advisory service while his notification has been suspended or removed shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

(8) A suspension or removal from notification of an appointed representative shall not operate so as to –

- (a) avoid or affect any agreement, transaction or arrangement relating to any investment product, entered into by such person, whether the agreement, transaction or arrangement was entered into before or after the suspension or removal, as the case may be; or
- (b) affect any right, obligation or liability arising under any such agreement, transaction or arrangement.

Power of Authority to impose conditions or restrictions

23G (1) – The Authority may by notice in writing to an appointed representative impose such conditions or restrictions as it thinks fit.

(2) Without prejudice to the generality of subsection (1), the Authority may, in entering the appointed representative's name in the register, impose conditions or restrictions with respect to the

type of financial advisory service which the appointed representative may or may not provide,

(3) The Authority may, at any time, by notice in writing to the appointed representative vary or revoke any condition or restriction or impose such further condition or restriction as it may think fit.

(4) Any person who contravenes any condition or restriction imposed by the Authority under this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for everyday or part thereof during which the offence continues after conviction.

False statements in relation to notification of appointed representative

23H. – (1) Any principal who, in connection with the provision of the notice of intent and certification to the Authority under section 23(C) for an individual to act as its appointed representative —

(a) makes a statement which is false or misleading in a material particular; or

(b) omits to state any matter or thing without which the notice or certification is misleading in a material respect,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

(2) Any individual who, in connection with his principal's notification or certification to the Authority for him to act as an

appointed representative- ----

(a) makes a statement to the principal which is false or misleading in a material particular and such statement was thereafter provided to the Authority ; or

(b) omits to state any matter or thing to the principal without which his notification or certification as an appointed representative is misleading in a material respect,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

(3) Any individual who, in connection with his principal's notification or certification to the Authority for him to act as an appointed representative -

(a) makes a statement to the Authority which is false or misleading in a material particular; or

(b) omits to state any matter or thing to the Authority without which his notification or certification as an appointed representative is misleading in a material respect,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

(4) A person referred to in subsection (1), (2) or (3) shall not be guilty of an offence if he proves that he –

(a) made all inquiries (if any) that were reasonable in the circumstances; and

(b) after doing so, believed on reasonable grounds that the

statement made or the omission to state the matter or thing, as the case may be, was not false or misleading.

Right of Appeal

23I. — Any person who is aggrieved by —

(a) the refusal of the Authority to enter his name in the public register of representatives;

(b) the removal from notification by the Authority of an appointed representative from the public register of representatives;

(c) the suspension of an appointed representative by the Authority; or

may within 30 days after it is notified of the decision of the Authority, appeal to the Minister whose decision shall be final.

PART III

CONDUCT OF BUSINESS

Division 1 — General

~~Restriction on granting unsecured advances, loans or credit facilities to director, etc., of licensed financial adviser 24. (1) (Deleted by Act 2 of 2005)~~

~~(2) (Deleted by Act 2 of 2005)~~

~~(3) No licensed financial adviser shall grant any unsecured advance, unsecured loan or unsecured credit facility—~~

~~(a) to a director of the licensed financial adviser, other than a director who is its employee; or~~

~~(b) to any other officer or an employee of the licensed financial adviser (including a director who is its employee) or any of its representatives which, in the aggregate and outstanding at any one time, exceeds \$3,000 or such other amount as may be prescribed.~~

~~(4) For the purposes of this section—~~

~~(a) “director” includes the spouse, father, step father, mother, step mother, son, adopted son, step son, daughter, adopted daughter, step daughter, brother, step brother, sister or step sister, of a director; and~~

[Note: Section 24 will be migrated to the Financial Advisers Regulations (Rg 2) [“FAR”] and combined with regulation 18 of the FAR.]

~~(b) the Authority may prescribe the items which constitute “unsecured advance”, “unsecured loan” or “unsecured credit facility”.~~

~~[2/2005]~~

~~(5) Any licensed financial adviser which contravenes this section shall be guilty of an offence.~~

~~(6) This section shall have effect without prejudice to section 162 of the Companies Act (Cap. 50).~~

Obligation to disclose product information to clients

25. —(1) A licensee shall disclose, to every client and prospective client, all material information relating to any designated investment product that the licensee recommends to such person, including —

- (a) the terms and conditions of the designated investment product;
- (b) the benefits to be, or likely to be, derived from the designated investment product, and the risks that may arise from the designated investment product;
- (c) the premium, costs, expenses, fees or other charges that may be imposed in respect of the designated investment product;
- (d) where the designated investment product is a unit in a collective investment scheme, the name of the manager of the scheme and the

relationship between the licensee and the manager;

(e) where the designated investment product is a life policy, the name of the registered insurer under the life policy and the relationship between the licensee and the insurer; and

(f) such other information as the Authority may prescribe.

(2) The Authority may specify, in written directions, the information required to be disclosed under subsection (1) (a), (b) or (c), and the form or manner in which information relating to any designated investment product may be disclosed to any client of a licensee.

(3) The Authority may, in writing, require a licensee to submit to it

(a) all written communication which sets out information relating to any designated investment product for the time being in use by the licensee; and

(b) where any written communication referred to in paragraph (a) is not in English, a translation of such written communication in English.

(4) If it appears to the Authority, after affording the licensee an opportunity to make representations orally or in writing, that any written communication submitted under subsection (3) contravenes any provision of this Act, or is in any respect likely to mislead, the Authority may, in writing, direct the licensee to discontinue the use, in Singapore, of the written communication immediately or from a

specified date.

(5) Any licensee who —

(a) contravenes subsection (1);

(b) fails to comply with a requirement imposed by the Authority under subsection (3); or

(c) fails to comply with a direction of the Authority under subsection (4),

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 12 months or to both.

(6) In this section —

"client" , in relation to a designated investment product which is a group life policy under which any person insured is liable to pay the premium, includes every person insured under the group life policy;

"designated investment product" means a unit in a collective investment scheme, a life policy (including a group life policy), or such other investment product as the Authority may prescribe;

"written communication" includes a brochure, a leaflet, a circular or an advertising matter, whether in electronic, print or other form.

Statements by licensees

26. —(1) No licensee shall, with intent to deceive, make a false or misleading statement as to —

(a) any amount that would be payable in respect of a proposed contract in respect of any investment product; or

(b) the effect of any provision of a contract or a proposed contract in respect of any investment product.

(2) A reference in subsection (1) to the making of a misleading statement includes a reference to omitting to disclose any matter that is material to the statement.

(3) Any licensee who contravenes subsection (1) shall, notwithstanding that a contract does not come into being, be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 12 months or to both.

Recommendations by licensees

27. —(1) No licensee shall make a recommendation with respect to any investment product to a person who may reasonably be expected to rely on the recommendation if the licensee does not have a reasonable basis for making the recommendation to the person.

(2) For the purposes of subsection (1), a licensee does not have a reasonable basis for making a recommendation to a person unless

—
(a) he has, for the purposes of ascertaining that the recommendation is appropriate, having regard to the information possessed by him concerning the investment objectives, financial situation and particular needs of the person, given such consideration to, and conducted such investigation of, the subject-matter of the recommendation as is reasonable in all the circumstances; and

(b) the recommendation is based on the consideration and investigation referred to in paragraph (a).

(3) Where —

(a) a licensee, in making a recommendation to a person, contravenes subsection (1);

(b) the person, in reliance on the recommendation, does a particular act, or refrains from doing a particular act;

(c) it is reasonable, having regard to the recommendation and all other relevant circumstances, for the person to do that act, or to refrain from doing that act, as the case may be, in reliance on the recommendation; and

(d) the person suffers loss or damage as a result of doing that act, or refraining from doing that act, as the case may be,

then, without prejudice to any other remedy available to that

person, the licensee is liable to pay damages to that person in respect of that loss or damage.

(4) In this section, a reference to the making of a recommendation is a reference to the making of a recommendation expressly or by implication.

(5) This section shall not apply to any licensee or class of licensees in such circumstances or under such conditions as may be prescribed.

Receipt of client's money or property

28.—(1) Without prejudice to the generality of section 104 (1), the Authority may, by regulations —

(a) determine the manner in which a licensee may receive or deal with client's money or property; or

(b) prohibit licensees from receiving or dealing with client's money or property in specified circumstances or in relation to specified activities.

(2) A lien or claim on client's money or property in any account, which may be required to be established by any licensee under regulations made under subsection (1), shall be void unless the moneys in the account are for fees due and owing to the licensee.

(3) A charge or mortgage on client's money or property in any

account, which may be required to be established by any licensee under regulations made under subsection (1), shall be void.

(4) In this section, “client’s money or property” means money received or retained by, or property deposited with, a licensee in the course of his business as such for which he is liable to account to another person.

Obligation to furnish information to Authority

29. —(1) The Authority may, in writing, require —

~~(a) any licensed financial adviser to furnish it with information about any matter related to its business whether carried on in Singapore or elsewhere;~~

~~(b) any licensed representative to furnish it with information about any matter related to the business of the financial adviser of which he is a representative, whether carried on in Singapore or elsewhere;~~

if, in the opinion of the Authority, it requires the information for the discharge of its functions under this Act.

(2) A licensed financial adviser ~~which, or a licensed representative who,~~ has been required to furnish information to the Authority under subsection (1) shall comply with such requirement.

(3) Any person who, without reasonable excuse, contravenes

subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

Saving for validity of transactions

30. —(1) Subject to subsection (3), a contravention of any requirement of this Act (including requirements in regulations made for the purposes of this Act) does not affect the validity or enforceability of any agreement, transaction or arrangement.

(2) Failure to comply with any code, guideline, policy statement or practice note issued under section 64 does not affect the validity of any agreement, transaction or arrangement.

(3) Subsection (1) has effect subject to any express provision to the contrary in this Act or in any regulations made for the purposes of another provision of this Act.

(4) Without prejudice to the generality of section 104 (1), the regulations referred to in subsection (3) may provide that a contravention of any requirement of this Act has a specified effect on the validity or enforceability of any agreement, transaction or arrangement.

Division 2 — Life Insurance

Application of this Division

31. This Division shall apply to licensees who provide any financial advisory service in respect of life policies.

Insurance broking premium accounts

32. —(1) Every licensed financial adviser which receives any money —

(a) from or on behalf of an insured or intending insured for or on account of an insurer in connection with a contract of insurance or a proposed contract of insurance; or

(b) from or on behalf of an insurer for or on account of an insured or intending insured,

shall, for the purposes of this section, establish and maintain a separate account with a bank licensed under the Banking Act (Cap. 19).

(2) The Authority may prescribe, in relation to an account established under subsection (1) —

(a) the types of moneys that must be paid into or withdrawn from such account;

(b) the manner in which moneys should be paid into or withdrawn

from such account;

(c) the manner in which moneys held in such account are to be invested;

(d) the manner in which the proceeds from the investment of moneys held in such account are to be distributed;

(e) the rights and obligations of any party in relation to moneys held in such account; and

(f) any other matter which the Authority considers to be incidental to or necessary for this section.

(3) A lien or claim on the moneys in any account established by any licensed financial adviser under subsection (1) shall be void unless the moneys in the account are for fees due and owing to the licensed financial adviser.

(4) A charge or mortgage on the moneys in any account established by any licensed financial adviser under subsection (1) shall be void.

(5) In this section, “moneys” means any sum received by a licensed financial adviser as agent for an insured or intending insured, including policy moneys, premiums and claims payments.

(6) Any licensed financial adviser which contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$100,000.

Negotiation and placement of risk with unregistered insurer

33. —(1) Subject to subsection (4), no licensee shall, in the course of his business as such, negotiate any contract of insurance with an insurer (directly or indirectly) except with a registered insurer acting in the course of his business as such.

(2) The reference in subsection (1) to a contract of insurance shall not apply to —

(a) reinsurance;

(b) business relating to risks outside Singapore; or

(c) such other risks as may be prescribed.

(3) In subsection (2) (b), “risks outside Singapore” means any risk which would be classified as an offshore policy as defined in the First Schedule to the Insurance Act (Cap. 142) had the risk been underwritten by a registered insurer in Singapore.

(4) Where in any particular case the Authority is satisfied that, by reason of the exceptional nature of the risk or other exceptional circumstances, it is not reasonably practicable to comply with subsection (1), the Authority may permit any licensee —

(a) to negotiate the contract of insurance with such insurer as the licensee sees fit; and

(b) if in the opinion of the Authority the case requires it, to effect the contract of insurance and receive the premium in Singapore on behalf of such insurer.

(5) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 3 years or to both.

Representations by licensees

34. —(1) No licensee shall, with intent to deceive, in relation to a proposed contract of insurance —

(a) write on a form, being a form that is given or sent to an insurer, any matter that is material to the contract and is false or misleading in a material particular;

(b) omit to disclose to the insurer any matter that is material to the proposed contract;

(c) advise or induce the intending insured to write on a form, being a form that is given or sent to the insurer, any matter that is false or misleading in a material particular; or

(d) advise or induce the intending insured to omit to disclose to the insurer any matter that is material to the proposed contract.

(2) No licensee shall, with intent to deceive, in relation to a claim under a contract of insurance —

(a) fill up, in whole or in part, a form, being a form that is given or sent to an insurer, in such a way that the form is false or misleading

in a material particular;

(b) omit to disclose to the insurer any matter that is material to the claim;

(c) induce the insured to fill up, in whole or in part, a form, being a form that is given or sent to the insurer, in such a way that the form is false or misleading in a material particular; or

(d) advise or induce the insured to omit to disclose to the insurer any matter that is material to the claim.

(3) Any licensee who contravenes this section shall, notwithstanding that a contract of insurance does not come into being, be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 12 months or to both.

Division 3 — Securities

Application of this Division

35. This Division shall apply to licensees who provide any financial advisory service in respect of securities.

Licensee to disclose certain interests in securities

36. —(1) Where a licensee sends a circular or other similar written communication in which he makes a recommendation, whether

expressly or by implication, with respect to any securities, he shall include in the circular or other communication, in type not less legible than that used in the remainder of the circular or other communication, a concise statement of the nature of any interest in, or any interest in the acquisition or disposal of, the securities that he, or a person associated with or connected to him, has at the date on which the circular or other communication is sent.

(2) Where a licensee is charged with an offence in respect of a contravention of subsection (1), it shall be a defence for the licensee to prove that, at the time the circular or other communication was sent, he was not aware and could not reasonably be expected to have been aware —

(a) that he had an interest in, or an interest in the acquisition or disposal of, the securities; or

(b) that the person associated with or connected to him had an interest in, or an interest in the acquisition or disposal of, the securities,

as the case may be.

(3) For the purposes of subsections (1) and (2) —

(a) an interest of a person in the disposal of any securities includes any financial benefit or advantage that will, or is likely to, accrue directly or indirectly to the person, upon or arising out of the disposal of the securities;

(b) without limiting the generality of paragraph (a), a person who

has entered into an underwriting agreement in respect of any securities shall be deemed to have an interest in the acquisition or disposal of the securities; and

(c) notwithstanding section 2 (1) or 3, a person is not connected to or associated with another person unless the person and the other person are acting jointly, or otherwise acting under or in accordance with an arrangement made between them, in relation to the sending of the circular or other communication.

(4) *(Deleted by Act 15 of 2003)*

(5) When a licensee sends to a person a circular or other communication to which subsection (1) applies, the licensee shall preserve a copy of the circular or other communication for 5 years.

(6) For the purposes of this section, a circular or other communication sent to a person shall, if it is signed by an officer of a licensed financial adviser, be deemed to have been sent by the financial adviser.

(7) The Authority may, by regulations, exempt any person or class of persons, or any securities or class of securities, from the application of this section, subject to such terms or conditions as the Authority considers appropriate.

(8) Any licensee who contravenes this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 12 months or

to both.

Division 4—Register of Interests in Securities

Application of this Division

~~37.—(1) This Division shall apply to—~~

~~(a) relevant persons; and~~

~~(b) financial journalists.~~

~~(2) In this Division—~~

~~(a) “financial journalist” means a person who contributes advice concerning securities, or prepares analyses or reports concerning securities, for publication in a newspaper, but does not include such person or a person belonging to such class of persons as may be prescribed;~~

~~(b) “relevant person” means any licensee who provides any financial advisory service in respect of securities and, for the purposes of section 39 (1) and (2) (a), any applicant for a licence to provide such a service; and~~

~~(c) a reference to securities is a reference to securities which are listed for quotation, or quoted, on a securities exchange or recognised market operator.~~

[Note: Sections 37 to 44 will be migrated to FAR. Accordingly, section 37 is deleted. The definition of “financial journalist” is reinstated under section 2.]

~~[2/2005]~~

~~[SF Bill, Clause 130]~~

~~**Register of interests in securities**~~

~~38.—(1) A relevant person shall —~~

~~(a) maintain in the prescribed form a register of his interests in securities;~~

~~(b) enter in the register, within 7 days after the date that he acquires any interest in securities, particulars of the securities in which he has an interest and particulars of his interest in those securities; and~~

~~(c) retain that entry in an easily accessible form for a period of not less than 5 years after the date on which such entry was first made.~~

~~[2/2007]~~

~~(2) Where there is a change (not being a prescribed change) in any interest in securities of a relevant person, he shall —~~

~~(a) enter in the register, within 7 days after the date of the change, particulars of the change, including the date of the change and the circumstances by reason of which that change has occurred; and~~

~~(b) retain that entry in an easily accessible form for a period of not less than 5 years after the date on which that entry was first made.~~

~~[15/2003; 2/2007]~~

~~(3) Any relevant person who contravenes this section shall be guilty of an offence.~~

~~[SF Bill, Clause 131]~~

Notice of particulars to Authority

~~39.—(1) A relevant person shall give notice to the Authority in the prescribed form of—~~

~~(a) the place at which he will keep the register of his interests in securities or, if the register is in electronic form, the place at which full access to the register may be gained; and~~

~~(b) such other particulars as may be prescribed.~~

~~(2) The notice under subsection (1) shall be given—~~

~~(a) in the case of a person who is required by this Act to hold a licence, as part of his application for the licence; or~~

~~(b) in any other case, within 14 days after he becomes a relevant person.~~

~~(3) The notice under subsection (1) shall be given by a person notwithstanding that he has ceased to be a relevant person before the expiry of the period referred to in subsection (2) (b).~~

~~(4) A person who ceases to be a relevant person shall, within 14 days of his so ceasing, notify the Authority.~~

~~(5) Any person who contravenes this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000.~~

~~[SF Bill, Clause 132]~~

Place at which register is kept

~~40.—(1) A relevant person shall keep the register of his interests in securities—~~

~~(a) in the case of an individual, at his principal place of business; or~~

~~(b) in the case of a body corporate, at any of its places of business.~~

~~(2) Where a register of interests in securities is kept in electronic form, a relevant person shall be deemed to be in compliance with subsection (1) if he ensures that full access to the register in electronic form may be gained by the Authority at the place referred to in subsection (1) (a) or (b), as the case may be.~~

~~(3) Any relevant person who contravenes this section shall be guilty of an offence.~~

~~[SF Bill, Clause 133]~~

Defence to prosecution

~~41.—(1) Where a person is charged with an offence under section 38 or 39, it shall be a defence for the person to prove—~~

~~(a) that his contravention was due to his not being aware of a fact or occurrence, the existence of which was necessary to constitute the offence; and~~

~~(b) that—~~

~~(i) he was not so aware on the date of the summons; or~~

~~(ii) he became so aware before the date of the summons and complied with the relevant section within 14 days after becoming so aware.~~

~~(2) For the purposes of subsection (1), a person shall, in the absence of proof to the contrary, be conclusively presumed to have been aware of a fact or occurrence at a particular time which an employee or agent of the person, being an employee or agent having duties or acting in relation to his employer's or principal's interest or interests in the securities concerned, was aware of at that time.~~

[SF Bill, Clause 134]

Production of register

42.—(1) The Authority may require any relevant person to produce for its inspection the register of his interests in securities, and the Authority may make a copy of or take extracts from the register.

~~(2) Any relevant person who—~~

~~(a) fails to produce the register of his interests in securities for~~

~~inspection by the Authority; or~~

~~(b) fails to allow the Authority to make a copy of or take extracts from the register,~~

~~shall be guilty of an offence.~~

~~[SF Bill, Clause 135]~~

Particulars of financial journalists

~~43. (1) The Authority may, by notice in writing, require the proprietor or publisher of a newspaper to supply the Authority with the name and address of any financial journalist who has contributed any advice, analysis or report concerning securities that has been published in the newspaper, within such period as may be specified in the notice.~~

~~(2) Any proprietor or publisher of a newspaper who, without reasonable excuse, contravenes a notice under subsection (1), shall be guilty of an offence.~~

~~[SIA, s. 46]~~

Extract of register

~~44. The Authority may supply a copy of an extract of a register obtained under section 42 to any person who, in the opinion of the Authority, should in the public interest be informed of the dealing in securities disclosed in the register.~~

Division 4 – Business conduct requirements of an appointed representative

37.-(1) Subject to the provisions of this Act, sections 25, 26, 27, 29, 33, 34 and 36 shall apply, with the necessary modifications to an appointed representative in respect of his acting as such as if he were a licensed financial adviser.

(2) The Authority may, on the application of a licensed financial adviser or an exempt financial adviser (other than a person exempt under sections 23(1)(ea) or (f)), exempt any of its appointed representatives from complying with any of the provisions referred to in subsection (1)

(3) An exemption granted under subsection (2) need not be published in the Gazette.

(4) The Authority may withdraw an exemption granted to any person under subsection (2) if the person contravenes any provision of this Act, or if the Authority considers it necessary in the public interest.

(5) Where the Authority withdraws an exemption granted to any person under subsection (2), the Authority need not give the person an opportunity to be heard.

(6) An exempt financial adviser which is aggrieved by the decision of the Authority to withdraw an exemption granted to any of its appointed representatives under subsection (2) may, within 30 days of the decision, appeal in writing to the Minister.

(7) A withdrawal under subsection (4) of an exemption granted to any person shall not operate so as to —



(a) avoid or affect any agreement, transaction or arrangement, relating to any investment product entered into by the person, whether the agreement, transaction or arrangement was entered into before or after the withdrawal of the exemption;
or

(b) affect any right, obligation or liability arising under any agreement, transaction or arrangement referred to in paragraph (a).

PART V

POWERS OF AUTHORITY

Approval of chief executive officer and director of licensed financial adviser

56. —(1) ~~No~~ licensed financial adviser shall ~~appoint a person as~~ —

(a) ~~its chief executive officer ;~~

(b) ~~its director where, upon appointment, the person resides or is to reside in Singapore, whether or not he is directly responsible for its business in Singapore or any part thereof; or~~

(c) ~~its director where, upon appointment, the person is directly responsible for its business in Singapore or any part thereof, whether he resides or is to reside in Singapore or elsewhere,~~

unless it has obtained the approval of the Authority.

Subject to subsection (1B), no

appoint a person as

or director; or

change the nature of an appointment of a director from a non-executive to an executive capacity,

[15/2003]

(1A) Where a licensed financial adviser has obtained the approval of the Authority to appoint a person as its chief executive officer or director under subsection (1), ~~the person may be re-appointed as chief executive officer or director, as the case may be, of the licensed financial adviser immediately upon the expiry of the earlier term without the approval of the Authority.~~

(a)

(1B) Subsection (1) shall not apply to the appointment of a person as a director or the change in the nature of an appointment of a director of a foreign company, where upon the appointment or change, as the case may be, the person –

(a) does not or will not, reside in Singapore; and

(b) is not or will not be, directly responsible for the licensed financial adviser's business in Singapore or any part thereof.

(2) Without prejudice to any other ~~matter that the Authority may consider relevant~~, the Authority ~~shall~~, in determining whether to grant its approval under subsection (1), have regard to such criteria as may be prescribed or as may be specified in written directions.

may

(3) Subject to subsection (4), the Authority shall not refuse an application for approval under subsection (1) without giving the licensed financial adviser an opportunity to be heard.

(4) The Authority may refuse an application for approval under subsection (1) on any of the following grounds without giving the licensed financial adviser an opportunity to be heard:

(a) the person is an undischarged bankrupt, whether in Singapore or elsewhere;

(b) a prohibition order under section 59 has been made by the Authority, and remains in force, against the person;

(c) the person has been convicted, whether in Singapore or elsewhere, of an offence —

(i) involving fraud or dishonesty or the conviction for which involved a finding that he had acted fraudulently or dishonestly; and

(ii) punishable with imprisonment for a term of 3 months or more.

[15/2003]

(5) Where the Authority refuses an application for approval under subsection (1), the Authority need not give the person who was proposed to be appointed an opportunity to be heard.

(6) Any licensed financial adviser which is aggrieved by the decision of the Authority under subsection (1) may, within 30 days of the decision of the Authority, appeal in writing to the Minister.

(7) Any licensed financial adviser which, without reasonable excuse, contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

(8) In this section, “chief executive officer” means any person, by whatever name described, who is —

(a) in the direct employment of, or acting for or by arrangement with, a licensed financial adviser; and

(b) principally responsible for the management and conduct of any type of business of the financial adviser in Singapore.

[SF Bill, Clause 96]

Removal of officer of licensed financial adviser

57. —(1) Where the Authority is satisfied that an officer of a licensed financial adviser —

(a) has wilfully contravened or wilfully caused that licensed financial adviser to contravene any provision of this Act;

(b) has, without reasonable excuse, failed to secure compliance with this Act;

(c) has failed to discharge the duties of his office;

or functions

(d) is an undischarged bankrupt, whether in Singapore or elsewhere;

(e) has, whether in Singapore or elsewhere, entered into a compromise or scheme of arrangement with his creditors, being a compromise or scheme of arrangement that is still in operation;

(f) has had execution against him in respect of a judgment debt returned unsatisfied in whole or in part;

(fa) has had a prohibition order under section 59 made by the Authority against him that remains in force; ~~or~~

(g) has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty or the conviction for which involved a finding that he had acted fraudulently or dishonestly;

or

(h) is not a fit and proper person.

then the Authority may, if it thinks it necessary in the public interest or for the protection of investors or policy owners, direct, by notice in writing, the licensed financial adviser to remove from its office or employment the officer, and the licensed financial adviser shall comply with such notice.

[15/2003; 2/2005]

(2) Without prejudice to any other matter that the Authority may consider relevant, that Authority shall, in determining whether an officer of a licensed financial adviser has failed to discharge the duties of his office under subsection (1) (c), have regard to such criteria as may be prescribed or as may be specified in written directions.

(3) Subject to subsection (4), the Authority shall not direct a licensed financial adviser to remove from its office or employment

an officer under subsection (1) without giving the licensed financial adviser an opportunity to be heard.

(4) The Authority may direct a licensed financial adviser to remove an officer from its office or employment under subsection (1) on any of the following grounds without giving the licensed financial adviser an opportunity to be heard:

(a) the officer is an undischarged bankrupt, whether in Singapore or elsewhere;

(b) a prohibition order under section 59 has been made by the Authority, and remains in force, against the officer;

(c) the officer has been convicted, whether in Singapore or elsewhere, of an offence —

(i) involving fraud or dishonesty or the conviction for which involved a finding that he had acted fraudulently or dishonestly; and

(ii) punishable with imprisonment for a term of 3 months or more.

[15/2003]

(5) Where the Authority directs a licensed financial adviser to remove from its office or employment an officer under subsection (1), the Authority need not give that officer an opportunity to be heard.

(6) Any licensed financial adviser which is aggrieved by the

direction of the Authority to remove from its office or employment an officer under subsection (1) may, within 30 days of the decision of the Authority, appeal in writing to the Minister.

(7) Any licensed financial adviser which contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

(8) No criminal or civil liability shall be incurred by a licensed financial adviser, or any person acting on behalf of the licensed financial adviser, in respect of anything done or omitted to be done with reasonable care and in good faith in the discharge or purported discharge of its obligations under this section.

(9) Nothing in section 152 of the Companies Act (Cap. 50) shall prevent the Authority from exercising any power under subsection (1).

[SF Bill, Clause 97]

Control of take-over of licensed financial adviser

57A.-(1) This section shall apply to and in relation to all individuals whether resident in Singapore or not and whether citizens of Singapore or not, and to all bodies corporate or unincorporate, whether incorporated or carrying on business in Singapore or not.

(2) No person shall enter into any arrangement in relation to a licensed financial adviser by virtue of which he would, if the arrangement is carried out, obtain effective control of the licensed financial adviser without obtaining the prior approval of the Authority.

(3) Any person intending to enter into any arrangement to obtain effective control of a licensed financial adviser under subsection (2) shall apply to the Authority for approval in writing and the Authority may approve such an application made by any person if the Authority is satisfied that –

- (a) the person is a fit and proper person;
- (b) having regard to the person's likely influence, the licensed financial adviser is likely to continue to conduct its business prudently and comply with the provisions of this Act and directions made thereunder; and
- (c) such other criteria as may be prescribed or as may be specified in written directions by the Authority.

(4) Any approval under subsection (3) may be granted to any person subject to such conditions as the Authority may determine, including but not limited to any condition —

(a) restricting the person's disposal or further acquisition of shares or voting power in the licensed financial adviser;
or

(b) restricting the person's exercise of voting power in the licensed financial adviser,

and the person shall comply with such conditions.

(5) Any condition imposed under subsection (4) shall have effect notwithstanding any provision of the Companies Act (Cap. 50) or anything contained in the memorandum or articles of association of the licensed financial adviser.

(6) For the purposes of this section —

(a) "arrangement" includes any formal or informal scheme, arrangement or understanding, and any trust whether express or implied;

(b) a person shall be regarded as entering into an arrangement by virtue of which he would obtain effective control of a licensed financial adviser if the person alone or acting together with any connected person would be in a position to control, directly or indirectly, not less than 20% of the voting power in the licensed financial adviser or would hold interests, directly or indirectly, in not less than 20% of the issued shares of the licensed financial adviser;

(c) a reference to an arrangement by which a person would obtain effective control of a licensed financial adviser includes a reference to an arrangement by which the person would acquire any interest, directly or indirectly, in shares in the licensed financial adviser

where, upon the acquisition of those interests and of any other interest in other shares of the licensed financial adviser that he has offered to acquire, he would have effective control of the licensed financial adviser; and

(d) a reference to the voting power in a licensed financial adviser is a reference to the total number of votes that may be cast in the general meeting of the licensed financial adviser.

(7) Any person who contravenes subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$75,000 or to imprisonment for a term not exceeding 3 years or to both.

(8) Any person who contravenes subsection (4) shall be guilty of an offence.

Objection to existing control of licensed financial adviser

57B – (1) The Authority may serve a written notice of objection on any person referred to in section 57A if the Authority is satisfied that —

(a) any condition of approval imposed on the person under section 57A (4) has not been complied with;

(b) the person is not or ceases to be a fit and proper person;

(c) having regard to the likely influence of the person, the licensed financial adviser is not able to or is no longer likely to conduct its business prudently or to comply with the provisions of this Act or any direction made thereunder;

(d) the person has furnished false or misleading information or documents in connection with an application under section 57A; or

(e) the Authority would not have granted its approval under section 57A had it been aware, at that time, of circumstances relevant to the person's application for such approval.

(2) The Authority shall not serve a notice of objection on any person without giving the person an opportunity to be heard, except in the following circumstances:

(a) the person is in the course of being wound up or otherwise dissolved, or in the case of an individual, in the course of bankruptcy proceedings, whether in Singapore or elsewhere;

(b) a receiver, a receiver and manager, a judicial manager or an equivalent person has been appointed, whether in Singapore or elsewhere, in relation to or in respect of any property of the person;

(c) a prohibition order under section 59 has been made by the Authority, and remains in force, against the person;

(d) the person has been convicted, whether in Singapore or elsewhere, of any offence involving fraud or dishonesty or the conviction for which involved a finding that the person had acted fraudulently or dishonestly.

(3) The Authority shall, in any written notice of objection, specify a reasonable period within which the person to be served the written notice of objection shall –

(a) take such steps as are necessary to ensure that he ceases to be a party to the arrangement described in section 57A(2) or ceases to have effective control of a licensed financial adviser as defined in section 57A(6); or

(b) comply with such other requirements as the Authority may specify in written directions.

(4) Any person served with a notice of objection under this section shall comply with the notice.

(5) Any person who contravenes subsection (4) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$75,000 or to imprisonment for a term not exceeding 3 years or to both.

Power of Authority to issue written directions

58. —(1) The Authority may, if it thinks necessary or expedient in the public interest, issue written directions, either of a general or specific nature, to —

- (a) any licensee;
- (b) any person exempt under section 23 or 100;
- (c) any representative of a person exempt under section 23; or
- (d) any class of the persons referred to in paragraph (a), (b) or (c),

to comply with such requirements as the Authority may specify in the written directions, or for any other purpose.

[15/2003; 2/2005]

(2) Without prejudice to the generality of subsection (1), written directions may be issued —

(a) with respect to —

(i) the standards to be maintained by —

(A) a licensee;

(B) any person exempt under section 23 or 100; or

(C) any representative ~~of a person exempt under section 23,~~

in the conduct of his business, including the provision of any financial advisory service to any person outside Singapore and the duties to be undertaken when making recommendations to clients in respect of investment products;

(ii) the type and frequency of financial returns and other information to be submitted to the Authority;

(iii) the qualifications, experience and training of representatives;
or

(iv) the procedure for the conduct of disciplinary control of licensees, exempt financial advisers and their representatives;

(b) where any person is contravening, is likely to contravene or has contravened, any provision of this Act, to require the person —

(i) to comply with that provision or to cease contravention of that provision;

(ii) to take such action necessary to enable him to conduct his business in accordance with sound principles;

(iii) where the person is a corporation, to remove any of its directors;

(iv) to remove any person whom the Authority considers unfit to be associated with him;

(v) to take action as to the disposition or recovery of assets;

(vi) to take any available step for the recovery of sums which appear to the Authority to have been improperly paid; or

(vii) to make good any default committed by him; or

(c) for any other purpose specified in this Act.

[15/2003; 2/2005]

(3) For the avoidance of doubt, any written direction issued under subsection (1) shall be deemed not to be subsidiary legislation.

(4) The Authority may at any time vary, rescind or revoke any written direction issued under subsection (1).

(5) Any person who fails to comply with any requirement specified in a written direction issued under subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

[2/2005]

(6) In this section, “written direction” includes a circular or notice.

[SF Bill, Clause 101]

Power of Authority to make prohibition orders

59. —(1) The Authority may make a prohibition order against a person, by notice in writing, if —

financial adviser’s

(a) the Authority suspends or revokes the licence held by the person;

(b) where the person is an exempt financial adviser ~~or a representative of an exempt financial adviser~~, the Authority has reason to believe that circumstances exist under which, if the person were a licensee, there would exist a ground on which the Authority may revoke his licence under section 19 (2);

licensed financial adviser

(ba) the Authority suspends or revokes an individual in the Authority’s public register of representatives;

(c) the Authority has reason to believe that the person is contravening, is likely to contravene or has contravened, any provision of this Act;

(d) the person has been convicted of an offence under this Act or has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty or the conviction for which involved a finding that he had acted fraudulently or dishonestly; ~~or~~

(e) the person has been convicted of an offence involving the contravention of any law or requirement of a foreign country or territory relating to any financial advisory service provided by that person;

; or

(f) the person has been removed as an officer of a licensed financial adviser by the licensed financial adviser at the direction of the Authority under section 57 of this Act.

(2) A prohibition order made under subsection (1) may —

~~(a) prohibit the person from providing any financial advisory service, or from providing such financial advisory service in specified circumstances or capacities,~~

~~whether permanently or for a specified period; and~~

(b) include a provision allowing the person, subject to any condition specified in the order —

(i) to do specified acts; or

(ii) to do specified acts in specified circumstances,

(a) prohibit the person from

(i) providing any financial advisory service, or providing such financial advisory service in specified circumstances or capacities;

(ii) taking part, directly or indirectly in the management of, acting as a director of, or becoming a substantial shareholder of a financial adviser,

whether permanently or for a specified period; and

that the order would otherwise prohibit him from doing.

(3) The Authority shall not make a prohibition order against a person without giving the person an opportunity to be heard.

(4) Any person who is aggrieved by the decision of the Authority to make a prohibition order against him may, within 30 days of the decision, appeal in writing to the Minister.

Effect of prohibition orders

60. —(1) A person against whom a prohibition order is made shall comply with the prohibition order.

(2) No licensed financial adviser or exempt financial adviser shall employ or otherwise deal with any ~~representative~~ against whom a prohibition order has been made under section 59 to the extent that such employment or dealing is prohibited by the order.

person

(3) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$75,000 or to imprisonment for a term not exceeding 2 years or to both.

(4) Any licensed financial adviser or exempt financial adviser which contravenes subsection (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000.

Variation or revocation of prohibition orders

61. —(1) The Authority may vary or revoke a prohibition order, by giving written notice to the person against whom the order was made, if the Authority is satisfied that it is appropriate to do so because of a change in any of the circumstances based on which the Authority made the order.

(2) The Authority may vary or revoke a prohibition order under subsection (1) —

(a) on its own initiative; or

(b) if the person against whom the order was made lodges with the Authority an application for the Authority to do so, accompanied by such document or fee as may be prescribed.

(3) The Authority shall not vary a prohibition order made against a person under subsection (2) (a) without giving the person an opportunity to be heard.

(4) Any person who is aggrieved by the decision of the Authority to vary a prohibition order made against him under subsection (2) (a)

(5) The issue of a prohibition order shall not operate so as to —

(a) avoid or affect any agreement, transaction or arrangement relating to the regulated activities entered into by such person, whether the agreement, transaction or arrangement was entered into before or after the revocation, suspension or lapsing of the licence or the issue of the prohibition order, as the case may be; or

(b) affect any right, obligation or liability arising under any such agreement, transaction or arrangement.”

may, within 30 days of the decision, appeal in writing to the Minister.

Date of effect of prohibition orders

62. A prohibition order, or any variation or revocation of a prohibition order, shall take effect on a date as specified in the order by the Authority.

Registers

~~63. —(1) The Authority shall establish and maintain one or more registers in respect of the following persons:~~

~~(a) licensees;~~

~~(b) officers removed by licensed financial advisers as directed by the Authority in the exercise of its powers under section 57;~~

~~(c) persons against whom any prohibition order is made under section 59; and~~

~~(d) such other persons as may be prescribed.~~

Record in relation to licensed financial advisers

63. —(1) The Authority shall establish and maintain in such form as it thinks fit, a record of information on licensed financial advisers, comprising -

(a) each licensee's name;

(b) the address of the principal place of business at which it carries on the business in respect of which the licence is held;

(c) the type or types of financial advisory service or investment product to which its licence relates;

(d) where the business is carried on under a name or style other than the name of the holder of the licence, the name or style under which the business is carried on;

(e) officers removed by it, as directed by the Authority in the exercise of its powers under section 57; and

(f) such other information as may be prescribed

(2) The Authority may prescribe the manner in which the registers are established or maintained, including the details or particulars required to be entered in the registers.

records

records

(3) The Authority may publish the information referred to in subsection (1), or any part of it in a financial institutions directory, set out at the Authority's Internet website at <http://www.mas.gov.sg>.

(3) Any person may, upon payment of such fee as may be prescribed, inspect and take an extract from the registers established under subsection (1), and any such extract, certified by the Authority to be a true copy, shall be admissible as evidence in any legal proceedings.

(4)

records

Record of appointed representatives

63A. (1) The Authority shall establish and maintain, in such form as it thinks fit, a record of information on appointed representatives, comprising –

(a) each representative's name;

(b) the name of all his current and past principals;

(c) the type or types of financial advisory service or investment product provided by him, currently or in the past and the date of commencement and cessation (if any) of such financial advisory service or investment product;

(d) where the business of the principal for which he acts is carried on under a name or style other than the name of the principal, the name or style under which the business is carried on;

(e) formal regulatory actions taken by the Authority against him; and

(f) such other information as may be prescribed by the Authority.

(2) The Authority may publish the information referred to in subsection (1), or any part of it in the public register of representatives, set out at the Authority's Internet website at <http://www.mas.gov.sg>.

PART VI

SUPERVISION AND INVESTIGATION

Division 1 — General

Self-incrimination

68. —(1) A person is not excused from disclosing information to the Authority, pursuant to a requirement made of him under this Part, on the ground that the disclosure of the information might tend to incriminate him.

(2) Where a person claims, before making a statement disclosing information that he is required to disclose by a requirement made of him under this Part, that the statement might tend to incriminate him, that statement shall not be admissible in evidence against him in criminal proceedings other than proceedings ~~under this section~~

in respect of any offence under section 76.

Savings for advocates and solicitors

69. —(1) Nothing in this Part shall —

(a) compel an advocate and solicitor to disclose or produce a privileged communication, or a document or other material containing a privileged communication, made by or to him in that capacity; or

(b) authorise the taking of any such document or other material which is in his possession.

[15/2003]

(2) An advocate and solicitor who refuses to disclose the information or produce the document or other material referred to in subsection (1) shall nevertheless be obliged to give the name and address (if he knows them) of the person to whom, or by or on behalf of whom, that privileged communication was made.

[15/2003]

(3) Any advocate and solicitor who contravenes subsection (2) shall be guilty of an offence.

[SF Bill, Clause 153 (2)]

Division 2 — Inspection Powers of Authority

Inspection by Authority

70. —(1) The Authority may from time to time inspect, under conditions of secrecy, the books of a licensee.

-
- (a) a licensed financial adviser;
 - (b) an exempt financial adviser in respect of its business of providing financial advisory service as if it is a licensed financial adviser; or
 - (c) a representative.

(2) For the purposes of an inspection under this section —

(a) ~~the licensee, and~~ any person who is in possession of the books ~~of the licensee,~~ shall produce such books to the Authority and give such information or facilities as may be required by the Authority;

a person referred to in subsection (1) or

(b) ~~the licensee~~ shall procure that any person who is in possession of its books produce the books to the Authority and give such information or facilities as may be required by the Authority; and

a person referred to in subsection (1)

(c) the Authority may —

(i) make copies of, or take possession of, any of such books;

(ii) use, or permit the use of, any of such books for the purposes of any proceedings under this Act; and

(iii) retain possession of any of such books for so long as is necessary —

(A) for the purposes of exercising a power conferred by this section (other than subsection (4));

(B) for a decision to be made on whether or not proceedings should be commenced under this Act in relation to such books; or

(C) for such proceedings to be commenced and carried on.

(3) No person shall be entitled, as against the Authority, to claim a lien on any of the books, but such a lien is not otherwise prejudiced.

(4) While the books ~~of a licensee~~ are in the possession of the Authority, the Authority —

(a) shall permit another person to inspect at all reasonable times such (if any) of the books as the other person would be entitled to inspect if they were not in the possession of the Authority; and

(b) may permit another person to inspect any of the books.

(5) The Authority may require a person who produced any book to the Authority to explain, to the best of his knowledge and belief, any matter about the compilation of the book or to which the book relates.

(6) Any person who fails, without reasonable excuse, to comply with subsection (2) or a requirement of the Authority under subsection (5) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding \$5,000 for every day or part thereof during which the offence continues after conviction.

Confidentiality of inspection reports

70A —(1) Where a written report or any part thereof (referred to in this section as the report) has been produced by the Authority upon an inspection under section 70 in respect of any licensed financial adviser, exempt financial adviser or representative under the inspection (referred to in this section as the inspected person), the report shall not be disclosed by the inspected person, or any of its officer or auditor, to any other person except in the circumstances provided under subsection (2).

(2) Disclosure of the report referred to in subsection (1) may be made -

- (a) by the inspected person to any officer or auditor of that inspected person solely in connection with the performance of the duties of the officer or auditor, as the case may be, in that inspected person;
- (b) by any officer or auditor of the inspected person to any other officer or auditor, solely in connection with the performance of their duties in that inspected person; or
- (c) to any other person as the Authority may approve in writing.

(3) In granting written approval for any disclosure under subsection (2) (c), the Authority may impose such conditions or restrictions as it thinks fit on the inspected person, or any of its officer or auditor and the inspected person, the officer or auditor, as the case may be, shall comply with such conditions and restrictions.

(4) The obligation on an officer or auditor referred to in subsection (1) shall continue after the termination or cessation of his employment or appointment at the inspected person.

(5) Any person to whom the report is disclosed and who knows or has reasonable grounds for believing, at the time of the disclosure, that the report was disclosed to him in contravention of subsection (1) shall be guilty of an offence, unless he proves that —

(a) the disclosure was made contrary to his desire;

(b) where the disclosure was made in any written form, he has as soon as practicable surrendered or taken all reasonable steps to surrender the report and all copies thereof to the Authority; and

(c) where the disclosure was made in an electronic form, he has as soon as practicable taken all reasonable steps to ensure that all electronic copies of the report have been deleted and that the report and all copies thereof in other forms have been surrendered to the Authority.

(6) Any person who contravenes subsection (1), (3) or (5) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000, or to imprisonment for a term not exceeding 2 years or both.

Division 3 — Investigative Powers of Authority

Investigation by Authority

71. —(1) The Authority may conduct such investigation as it considers necessary or expedient for any of the following purposes:

- (a) to perform any of the Authority’s functions under this Act;
 - (b) to ensure compliance with this Act or any written direction issued under this Act; or
 - (c) to investigate an alleged or suspected contravention of any provision of this Act.
- (2) The Authority may exercise any of its powers for the purposes of conducting an investigation under this Division notwithstanding the provisions of any prescribed written law or any requirement imposed thereunder or any rule of law.
- (3) A requirement imposed by the Authority in the exercise of its powers under this Division shall have effect notwithstanding any obligation as to secrecy or other restrictions upon the disclosure of information imposed by any prescribed written law or any requirement imposed thereunder, any rule of law, any contract or any rule of professional conduct.
- (4) Any person who complies with a requirement imposed by the Authority in the exercise of its powers under this Division shall not be treated as being in breach of any restriction upon the disclosure of information or thing imposed by any prescribed written law or

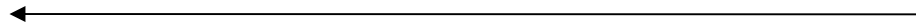
any requirement imposed thereunder, any rule of law, any contract or any rule of professional conduct.

(5) No civil or criminal action, other than proceedings for an offence under section 76, shall lie against any person for —

(a) providing information or producing books to the Authority if he had provided the information or produced the books in good faith in compliance with a requirement imposed by the Authority under this Division; or

(b) doing or omitting to do any act, if he had done or omitted to do the act in good faith and as a result of complying with a requirement imposed by the Authority under this Division.

[SF Bill, Clause 152]



Confidentiality of investigation reports

71A – (1) Where a written report or any part thereof (referred to in this section as the report) has been produced by the Authority upon an investigation under section 71 in respect of any person under the investigation (referred to in this section as the investigated person), the report shall not be disclosed by the investigated person, or any of its officer or auditor, to any other person except in the circumstances provided under subsection (2).

(2) Disclosure of the report referred to in subsection (1) may be made -

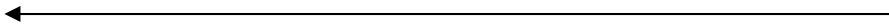
(a) by the investigated person to any officer or auditor of that investigated person solely in connection with the performance of the duties of the officer or auditor, as the case may be, in that investigated person;

(b) by any officer or auditor of the investigated person to any other officer or auditor, solely in connection with the performance of their duties in that investigated person; or

(c) to any other person as the Authority may approve in writing.

(3) In granting written approval for any disclosure under subsection (2) (c), the Authority may impose such conditions or restrictions as it thinks fit on the investigated person, or any of its officer or auditor and the investigated person, the officer or auditor, as the case may be, shall comply with such conditions and restrictions.

(4) The obligation on an officer or auditor referred to in subsection



(1) shall continue after the termination or cessation of his employment or appointment at the investigated person.

(5) Any person to whom the report is disclosed and who knows or has reasonable grounds for believing, at the time of the disclosure, that the report was disclosed to him in contravention of subsection (1) shall be guilty of an offence, unless he proves that —

(a) the disclosure was made contrary to his desire;

(b) where the disclosure was made in any written form, he has as soon as practicable surrendered or taken all reasonable steps to surrender the report and all copies thereof to the Authority; and

(c) where the disclosure was made in an electronic form, he has as soon as practicable taken all reasonable steps to ensure that all electronic copies of the report have been deleted and that the report and all copies thereof in other forms have been surrendered to the Authority.

(6) Any person who contravenes subsection (1), (3) or (5) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000, or to imprisonment for a term not exceeding 2 years or both.

PART VII

ASSISTANCE TO FOREIGN REGULATORY AUTHORITIES

Interpretation of this Part

77. In this Part, unless the context otherwise requires —

"enforce" means enforce through criminal, civil or administrative proceedings;

"enforcement" means the taking of any action to enforce a law or regulatory requirement against a specified person, being a law or regulatory requirement that relates to any financial advisory service in the foreign country of the regulatory authority concerned;

"foreign country" means a country or territory other than Singapore;

"investigation" means an investigation to determine if a specified person has contravened or is contravening a law or regulatory requirement, being a law or regulatory requirement that relates to any financial advisory service in the foreign country of the regulatory authority concerned;

"material" includes any information, book, document or other record in any form whatsoever, and any container or article relating thereto;

"regulatory authority" , in relation to a foreign country, means an authority of the foreign country exercising any function that corresponds to a regulatory function of the Authority under this Act;

"relevant day" means —

(a) in relation to any financial advisory service in respect of securities or futures contracts, 6th March 2000; or

(b) in relation to any other financial advisory service, 1st October 2002;

"supervision" , in relation to a regulatory authority, means the taking of any action for or in connection with the supervision of a subject-matter in the foreign country of the regulatory authority, being a subject-matter relating to any financial advisory service.

"parent entity", in relation to a licensed financial adviser means an entity which is able to exercise a significant influence over the direction and management of the licensed financial adviser or which has a controlling interest in the licensed financial adviser.

"parent supervisory authority", in relation to a licensed financial adviser means the supervisory authority which is responsible, under the laws of the country or territory where the licensed financial adviser or its parent entity is incorporated, formed or established, for supervising the licensee's or the parent entity's activities, as the case may be;

Division 1 – Assistance for Supervision, Investigation and Enforcement

Conditions for provision of assistance

78. —(1) The Authority may provide the assistance referred to in section 80 to a regulatory authority of a foreign country if the Authority is satisfied that all of the following conditions are fulfilled:

(a) the request by the regulatory authority for assistance is received

by the Authority on or after the relevant day;

(b) the assistance is intended to enable the regulatory authority, or any other authority of the foreign country, to carry out supervision, investigation or enforcement;

(c) the contravention of the law or regulatory requirement to which the request relates took place on or after the relevant day;

(d) the regulatory authority has given a written undertaking that any material or copy thereof obtained pursuant to its request shall not be used for any purpose other than a purpose that is specified in the request and approved by the Authority;

(e) the regulatory authority has given a written undertaking not to disclose to a third party (other than a designated third party of the foreign country in accordance with paragraph (f)) any material received pursuant to the request unless the regulatory authority is compelled to do so by the law or a court of the foreign country;

(f) the regulatory authority has given a written undertaking to obtain the prior consent of the Authority before disclosing any material received pursuant to the request to a designated third party, and to make such disclosure only in accordance with such conditions as may be imposed by the Authority;

(g) the material requested for is of sufficient importance to the carrying out of the supervision, investigation or enforcement to which the request relates and cannot reasonably be obtained by any other means;

(h) the matter to which the request relates is of sufficient gravity;
and

(i) the rendering of assistance will not be contrary to the public interest or the interest of the investing public or policy owners.

(2) For the purposes of subsection (1) (e) and (f), “designated third party”, in relation to a foreign country, means —

(a) any person or body responsible for supervising the regulatory authority in question;

(b) any authority of the foreign country responsible for carrying out the supervision, investigation or enforcement in question; or

(c) any authority of the foreign country exercising a function that corresponds to a regulatory function of the Authority under this Act.

[SF Bill, Clause 170]

Other factors to consider for provision of assistance

79. In deciding whether to grant a request for assistance referred to in section 80 from a regulatory authority of a foreign country, the Authority may also have regard to the following:

(a) whether the act or omission that is alleged to constitute the contravention of the law or regulatory requirement to which the request relates would, if it had occurred in Singapore, have constituted an offence under this Act;

(b) whether the regulatory authority has given or is willing to give an undertaking to the Authority to comply with a future request by the Authority to the regulatory authority for similar assistance;

(c) whether the regulatory authority has given or is willing to give an undertaking to the Authority to contribute towards the costs of providing the assistance that the regulatory authority has requested for.

[SF Bill, Clause 171]

Assistance that may be rendered

80. —(1) Notwithstanding the provisions of any prescribed written law or any requirement imposed thereunder or any rule of law, the Authority or any person authorised by the Authority may, in relation to a request by a regulatory authority of a foreign country for assistance —

(a) transmit to the regulatory authority any material in the possession of the Authority that is requested by the regulatory authority or a copy thereof;

(b) order any person to furnish to the Authority any material that is requested by the regulatory authority or a copy thereof, and transmit the material or copy to the regulatory authority;

(c) order any person to transmit directly to the regulatory authority any material that is requested by the regulatory authority or a copy thereof;

(d) order any person to make an oral statement to the Authority on any information requested by the regulatory authority, record such statement, and transmit the recorded statement to the regulatory authority; or

(e) request any Ministry, Government department or statutory authority to furnish to the Authority any material that is requested by the regulatory authority or a copy thereof, and transmit the material or copy to the regulatory authority.

(2) The assistance referred to in subsection (1) (c) may only be rendered if the material sought is to enable the regulatory authority to carry out investigation or enforcement.

(3) An order under subsection (1) (b), (c) or (d) shall have effect notwithstanding any obligation as to secrecy or other restriction upon the disclosure of information imposed by any prescribed written law or any requirement imposed thereunder, any rule of law, any contract or any rule of professional conduct.

(4) A person is not excused from making an oral statement pursuant to an order made under subsection (1) (d) on the ground that the statement might tend to incriminate him but, where the person claims before making the statement that the statement might tend to incriminate him, that statement is not admissible in evidence against him in criminal proceedings other than proceedings for an offence under section 81.

(5) Nothing in this section shall compel an advocate and solicitor

(a) to furnish or transmit any material or copy thereof that contains;
or

(b) to disclose,

a privileged communication made by or to him in that capacity.

(6) An advocate and solicitor who refuses to disclose, or to furnish or transmit any material or copy thereof that contains, any privileged communication shall nevertheless be obliged to give the name and address (if he knows them) of the person to whom, or by or on behalf of whom, the privileged communication was made.

(7) Any advocate and solicitor who contravenes subsection (6) shall be guilty of an offence.

[SF Bill, Clause 172]

Offences under this Part ←

Division

81. Any person who —

(a) without reasonable excuse, refuses or fails to comply with an order under section 80 (1) (b), (c) or (d);

(b) in purported compliance with an order under section 80 (1) (b) or (c), furnishes to the Authority or transmits to the regulatory authority any material or copy thereof known to the person to be false or misleading in a material particular; or

(c) in purported compliance with an order made under section 80

(1) (d), makes a statement to the Authority that is false or misleading in a material particular,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 2 years or to both.

[SF Bill, Clause 173]

Immunity from criminal or civil liability

82. —(1) No civil or criminal proceedings, other than proceedings for an offence under section 81, shall lie against any person for —

(a) furnishing to the Authority or transmitting any material or copy thereof to the Authority or a regulatory authority of a foreign country if he had furnished or transmitted that material or copy in good faith in compliance with an order made under section 80 (1) (b) or (c);

(b) making a statement to the Authority in good faith and in compliance with an order made under section 80 (1) (d); or

(c) doing or omitting to do any act, if he had done or omitted to do the act in good faith and as a result of complying with such an order.

(2) Any person who complies with an order referred to in subsection (1) (a) or (b) shall not be treated as being in breach of any restriction upon the disclosure of information or thing imposed by any prescribed written law or any requirement imposed thereunder, any rule of law, any contract or any rule of professional

conduct.

[SF Bill, Clause 174]

Division 2 – Assistance for Inspection

Inspection in Singapore by parent supervisory authority

82A—(1) In relation to a licensed financial adviser or its parent entity, incorporated outside Singapore, a parent supervisory authority may, with the prior written approval of the Authority and under conditions of secrecy, conduct an inspection in Singapore of the books of the licensed financial adviser in Singapore in accordance with this section if the following conditions are satisfied:

(a) the inspection is required by the parent supervisory authority for the sole purpose of carrying out its supervisory functions;

(b) the parent supervisory authority —

(i) is prohibited by the laws applicable to the parent supervisory authority from disclosing information obtained by it in the course of the inspection to any other person; or

(ii) has given to the Authority such written undertaking, as to the confidentiality of the information obtained, as the Authority may determine; and

(c) the parent supervisory authority has given a written undertaking to the Authority to comply with such conditions as the Authority may impose under subsection (3).

(2) In deciding whether to grant its approval to a parent supervisory authority under subsection (1), the Authority may also have regard to the following:

(a) whether the parent supervisory authority has given or is willing to give an undertaking to the Authority to comply with a future request by the Authority to the parent supervisory authority for similar assistance; and

(b) whether the parent supervisory authority has given or is willing to give an undertaking to the Authority to contribute towards the costs of providing the assistance the parent supervisory authority has requested for.

(c) in the case of a parent supervisory authority of a parent entity, whether the parent entity carries out substantial operations in the jurisdiction of the parent supervisory authority.

(3) The Authority may at any time, whether before, on or after giving written approval for an inspection under this section, require the parent supervisory authority to comply with conditions or restrictions relating to —

(a) the classes of information to which the parent supervisory authority shall or shall not have access in the course of the inspection;

(b) the conduct of the inspection;

(c) the use or disclosure of any information obtained in the course of the inspection; and


(d) such other matters as the Authority may determine.

(4) Subject to compliance by a parent supervisory authority with such conditions or restrictions as the Authority may impose under subsection (3), the licensed financial adviser under inspection —

(a) shall afford the parent supervisory authority access to such books of the licensed financial adviser under inspection, and provide such information (including information relating to the licensee's internal control systems) and facilities as may be required to conduct the inspection; and

(b) shall not be required to afford the parent supervisory authority access to its books or to provide information or facilities at such times or at such places as would unduly interfere with the proper conduct of the normal daily business of the licensed financial adviser.

(5) A parent supervisory authority may, with the prior written approval of the Authority request the auditors of the parent entity or the head office, as the case may be, of the licensed financial adviser or appoint any person to conduct the inspection under subsection (1) and in such event, this section (other than this subsection) shall apply to the auditors or the person, as the case may be, as if a reference to the parent supervisory authority or any official of the parent supervisory authority in this section includes a reference to the auditors or the person.



(6) Any licensed financial adviser which refuses or neglects, without reasonable excuse, to afford access to any book or provide any information or facility as may be required by this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000

Confidentiality of inspection reports

82B- —(1) Where a written report or any part thereof (referred to in this section as the report) has been produced by a parent supervisory authority upon an inspection under section 82A in respect of any licensed financial adviser the report shall not be disclosed by the licensed financial adviser, or any of its officer or auditor, to any other person except in the circumstances provided under subsection (2)..

(2) Disclosure of the report referred to in subsection (1) may be made -

(a) by the licensed financial adviser to any officer or auditor of the licensed financial adviser solely in connection with the performance of the duties of the officer or auditor, as the case may be, in that licensed financial adviser;

(b) by any officer or auditor of the licensed financial adviser to any other officer or auditor, solely in connection with the performance of their duties in that licensed financial adviser;

(c) to the Authority if requested by the Authority, where the report has been produced by a parent supervisory authority; or

(d) to any other person as the Authority may approve in writing.

(3) In granting written approval for any disclosure under subsection (2) (d), the Authority may impose such conditions or restrictions as it thinks fit on the licensed financial adviser, or any of its officer or auditor and the licensed financial adviser, the officer or auditor, as the case may be, shall comply with such

requirements and restrictions.

(4) The obligation on an officer or auditor referred to in subsection (1) shall continue after the termination or cessation of his employment or appointment at the licensed financial adviser.

(5) Any person to whom the report is disclosed and who knows or has reasonable grounds for believing, at the time of the disclosure, that the report was disclosed to him in contravention of subsection (1) shall be guilty of an offence, unless he proves that —

(a) the disclosure was made contrary to his desire;

(b) where the disclosure was made in any written form, he has as soon as practicable surrendered or taken all reasonable steps to surrender the report and all copies thereof to the Authority; and

(c) where the disclosure was made in an electronic form, he has as soon as practicable taken all reasonable steps to ensure that all electronic copies of the report have been deleted and that the report and all copies thereof in other forms have been surrendered to the Authority.

(6) Any person who contravenes subsection (1), (3) or (5) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$50,000, or to imprisonment for a term not exceeding 2 years or both

PART VIII


OFFENCES

...

Penalty for corporations

88.—(1) Subject to subsections (2) and (3), where a corporation or body corporate is convicted of an offence under this Act, the penalty that the court may impose is a fine not exceeding 2 times the maximum amount that the court could, but for this subsection, impose as a fine for that offence.

(2) Subsection (1) shall not apply to —

(a) offences under sections 10(3), 13(4), 19(10), 19(12),  24(5), 32 (6), 45 (5) and (6), 46 (2), 47 (2), 48 (5), (6) and (7), 49 (5), 55 (2), 56 (7) and 57 (7); or

(b) offences under any subsidiary legislation made under this Act where it is expressly provided in the subsidiary legislation that subsection (1) shall not apply to those offences.

(3) Where an individual is convicted of an offence under this Act by virtue of section 83, he shall be liable to the fine or imprisonment or both as prescribed for that offence and subsection (1) shall not apply.

(4) In this section, “body corporate” excludes a limited liability partnership within the meaning of the Limited Liability Partnerships Act (Cap. 163A).

PART X

MISCELLANEOUS

...

Power to reprimand for misconduct

97. —(1) Where the Authority is satisfied that a relevant person is guilty of misconduct, the Authority may, if it thinks it necessary in the public interest or for the protection of investors or policy owners, reprimand the relevant person.

(2) In this section —

"misconduct" means —

(a) the contravention of —

(i) any provision of this Act;

(ii) any condition or restriction of a ~~licence~~ or an exemption granted under this Act;

(iia) any written direction made by the Authority under this Act; or

(iii) any code, guideline, policy statement or practice note issued or published under section 64;

(b) the failure by an officer of a licensed financial adviser or an



financial adviser's licence, a notification

exempt financial adviser to discharge any duty or function of his office; or

(c) the commission of an offence under section 83 or 84 (1);

"officer" —

(a) in relation to a body corporate, means a director, member of the committee of management, chief executive, manager, secretary or other similar officer of the body, and includes a person purporting to act in any such capacity; or

(b) in relation to an unincorporated association (other than a partnership), means the president, the secretary, or a member of the committee of the association or a person holding a position analogous to that of president, secretary or member of a committee, and includes a person purporting to act in any such capacity;

"partner" includes a person purporting to act as a partner;

"relevant person" means any licensee, ~~representative of an exempt financial adviser~~, exempt financial adviser, or officer or partner of a licensed financial adviser or an exempt financial adviser.

licensed financial adviser

...

Regulations

104. —(1) The Authority may make regulations for carrying out the purposes and provisions of this Act and for the due administration

thereof.

(2) Without prejudice to the generality of subsection (1), the Authority may make regulations for or with respect to —

- (a) applications for the grant ~~or renewal~~ of licences, and matters incidental thereto; { financial adviser's
- ←
- { (aa) the restrictions relating to the granting of any unsecured advance, unsecured loan or unsecured credit facility by a licensed financial adviser to its officer, employee or representative;
- (b) ~~the activities of, and standards to be maintained by, a licensee, or an exempt financial adviser or any of its representatives,~~ including the manner, method and place of soliciting business and the conduct of such solicitation; { licensed financial adviser,
, or a representative.
- (c) *(Deleted by Act 15 of 2003)*
- (d) the particulars to be recorded in, or in respect of, books kept by any licensed financial adviser;
- (e) the remuneration of an auditor appointed under this Act and the costs of an audit carried out under this Act;

(f) the manner in which a ~~licensee, or an exempt financial adviser or any of its representatives,~~ conducts his dealings with the clients of the licensed financial adviser or exempt financial adviser, as the case may be;

licensed financial adviser,
or a representative

(g) the purchase or sale of investment products directly or indirectly by ~~licensees~~ for their own account;

licensed financial adviser and their appointed representatives

(h) the disclosure by a ~~licensee,~~ or by an exempt financial adviser or any of its representatives, of any material interest that he may have in a proposed transaction relating to purchasing, subscribing for or trading in capital markets products;

licensed financial adviser

(i) the forms for the purposes of this Act;

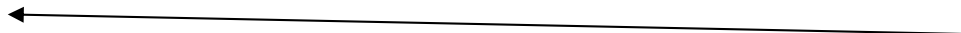
(j) the fees to be paid in respect of any matter or thing required for the purposes of this Act, and the refund and remission, whether in whole or in part, of such fees;

(k) the collection, from any licensed financial adviser or exempt financial adviser, by or on behalf of the Authority at such intervals or on such occasions as may be prescribed, of statistical information as to such matters relevant to investment products as may be prescribed, and for the collection and use of such information for any purpose, whether or not connected with the prescribed investment products;

(ja) the expenses to be paid in respect of any matter or thing required for the purposes of this Act, including licences required under this Act and the refund and remission, whether in whole or in part, of such expenses;

~~(l) the control of any take-over of a licensed financial adviser;~~

(m) *(Deleted by Act 15 of 2003)*



(ma) the maintenance by a proprietor or publisher of a newspaper of the particulars of any financial journalist who has contributed any advice, analysis or report concerning securities which are listed for quotation, or quoted, on a securities exchange or recognised market operator, that has been published in the newspaper and the provision of such particulars to the Authority; and

(n) all matters and things which are required or permitted to be prescribed by this Act, or which may be necessary or expedient to be prescribed to give effect to this Act.

[15/2003]

(3) No use shall be made of any information obtained by or on behalf of the Authority by virtue only of subsection (2) (k) except in a form which does not disclose the affairs of any particular person.

(4) Except as otherwise expressly provided in this Act, regulations made under this Act —

(a) may be of general or specific application;

(b) may provide that a contravention of any specified provision thereof shall be an offence; and

(c) may provide for penalties not exceeding a fine of \$50,000 or imprisonment for a term not exceeding 12 months or both for each offence and, in the case of a continuing offence, a further penalty not exceeding a fine of 10% of the maximum fine prescribed for

that offence for every day or part thereof during which the offence continues after conviction.

FIRST SCHEDULE

Sections 2 (1) and 22 (1)

EXCLUDED FINANCIAL ADVISERS

...

2. Any company licensed under the Trust Companies Act (Cap. 336) whose carrying on of the business of providing any financial advisory service is solely incidental to its carrying on of the business for which it is ~~registered~~ under that Act.

licensed

...

11. A foreign company (within the meaning of section 4 (1) of the Companies Act (Cap. 50)) whose provision of any financial advisory service is effected under an arrangement between the foreign company (on the one hand) and its related corporation which is ~~licensed under this Act or exempt under section 23 (other than subsection (1) (f))~~ (on the other hand), where such arrangement is approved by the Authority.

subsections (1)(ea) and