Monetary Authority of Singapore

Response to Feedback Received

P014-2026 – 26 November 2026

Response to Feedback Received on Proposed Amendments to the Code on Collective Investment Schemes to Facilitate Retail Fund Product Innovation

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1. Preface

1.1. On 9 July 2026, MAS issued a consultation paper seeking views on the proposed amendments to the Code on Collective Investment Schemes ("**CIS Code**") to facilitate fund product innovation with appropriate safeguards for retail investors. The proposals aimed to broaden investor choice and enhance the vibrancy and growth of Singapore's fund management industry.

1.2. MAS sought views on the proposal to introduce greater flexibility in the CIS Code to enable a wider range of new fund product types to be authorised for retail offer more expeditiously. As part of the proposal, MAS proposed to introduce a new Appendix to cater to new fund types that satisfy certain criteria, subject to alternative safeguards, to distinguish them from traditional funds. The consultation paper also illustrated how the proposed flexibility under the CIS Code, including through the new Appendix, could be applied to two new fund types, namely futures-based single-commodity funds and a wider array of single-country government bond funds.

1.3. Alongside these proposals, MAS also sought views on the recognition of foreign funds that are comparable to any new fund products that are authorised by MAS, which can facilitate the cross-listing of a wider range of listed funds.

1.4. The consultation closed on 10 August 2026, and MAS would like to thank all respondents for their contributions. The list of respondents and their full submissions are set out in Annexes A and B respectively.

1.5. MAS has carefully considered the feedback received, and has incorporated respondents' suggestions where appropriate. Comments that are of wider interest, together with MAS' responses, are set out below.

1.6. MAS has made amendments to the CIS Code to implement the final policy positions. The amendments, which are set out in Annex D, will take effect on 26 November 2026.

2. Enhanced flexibility to the CIS Code

Proposed framework to introduce greater flexibility

2.1. MAS sought views on the proposal to introduce a new Appendix to the CIS Code – titled *"Alternative Funds Appendix"* – to cater to new fund types that satisfy certain criteria. Under this Appendix, these new fund types may be permitted to deviate from the investment requirements within Appendix 1 of the CIS Code, while being subject to alternative safeguards. For each new non-traditional fund type that MAS considers appropriate to authorise for retail offer, a circular will be issued under the proposed new Appendix setting out the applicable modified investment requirements, alternative safeguards and enhanced disclosures.

2.2. MAS also sought views on the proposed factors MAS will consider in determining whether to allow a new fund type for retail offer, namely (a) the fund's compliance with IOSCO principles as encapsulated by legislative requirements in the Securities and Futures Act 2001 ("**SFA**"), the relevant subsidiary legislation and Chapters of the CIS Code, (b) the listing or offer history of similar products in other jurisdictions, and (c) the proposed safeguards to mitigate risks posed by the new fund type.

2.3. The majority of respondents supported the proposed framework, noting that it provides a structured yet flexible approach to accommodating new fund types for retail offer with appropriate safeguards. Several respondents sought clarification on whether the proposed framework could accommodate other fund types not cited in the consultation paper, including funds investing in private market assets and broader commodity-related strategies, such as diversified or actively managed strategies and structures using instruments other than futures.

2.4. On the proposed factors, several respondents sought clarification on whether MAS would consider new fund types that have not been previously offered in other jurisdictions as well as MAS' expectations for compliance with the IOSCO principles. Several respondents suggested that MAS also consider other factors, such as redemption and liquidity management, valuation methodology and investor education.

2.5. To facilitate compliance, several respondents suggested consolidating the requirements applicable to each new non-traditional fund type in a single location rather than across multiple circulars.

MAS' Response

2.6. In view of the broad support received, MAS will proceed with the introduction of a new Appendix to cater to new fund types that satisfy certain criteria. Under this approach, new fund types will be allowed to deviate from the investment requirements within Appendix 1 of the CIS Code, subject to alternative safeguards to mitigate risks arising from any such deviation.

2.7. The examples of new fund types cited in the consultation paper are not intended to be exhaustive and MAS is open to considering other new fund types. However, MAS wishes to clarify that the new Appendix is not intended to cater to private market investment funds, as such funds would not be able to meet certain requirements in existing Chapters of the CIS Code. MAS has separately consulted on a proposed framework to provide retail access to private market investment funds and will publish its response to feedback received in due course.

2.8. In assessing a new fund type, MAS will consider the key factors set out in paragraph 2.2 above holistically and remain open to accommodating novel fund types that have not previously been offered in other jurisdictions. MAS wishes to clarify that funds offered under this new Appendix must be able to comply with the applicable requirements in the SFA, the relevant subsidiary legislation and Chapters of the CIS Code, which in turn give effect to the relevant IOSCO principles. This includes requirements on dealing and valuation, as well as requirements for managers to assess and adopt appropriate liquidity risk management practices. Depending on the product's features, requirements under other Appendices of the CIS Code may also apply, as illustrated in the futures-based single-commodity fund example.

2.9. To facilitate MAS' assessment, issuers will be required to submit the information set out in Annex C. MAS expects fund managers and distributors to deliver fair dealing outcomes in the design and distribution of fund products to retail investors. In this regard, the information to be submitted also includes the fund manager's distribution and investor education plans for the new fund, given the novelty of these products.

2.10. For each new fund type that MAS considers appropriate to authorise for retail offer under the new Appendix, MAS will work with market participants or relevant industry associations to develop the alternative requirements tailored to the features and risks of the fund type. MAS expects to finalise the requirements in about three months after receiving all requisite information[1]. These requirements will be published in a circular, which will also provide background and context for the framework applicable to the new fund type. MAS will maintain a list of circulars issued under the new Appendix for ease of reference. Following the issuance of the circular, funds of the same type will take 21 days to be authorised if they meet the requirements.

Proposed title of the Appendix and related disclosures

2.11. MAS sought views on naming the Appendix "Alternative Funds Appendix" and requiring funds authorised under it to state clearly and prominently in their prospectuses, product highlights sheets and marketing materials that they are offered as alternative funds under this Appendix.

2.12. Several respondents highlighted that the title "Alternative Funds Appendix" could be misinterpreted by investors as referring to funds investing in alternative asset classes or strategies, such as private market investments or hedge funds. Respondents suggested a more neutral title, such as "Non-traditional Funds Appendix" or "Specialised Funds Appendix", accompanied by clear disclosures to avoid potential misunderstanding.

2.13. With regard to the proposed disclosures to enable investors to easily identify funds offered under the new Appendix, several respondents suggested that MAS prescribe standardised wording, as well as the placement of the proposed disclosures.

MAS' Response

2.14. MAS agrees with the feedback received on the proposed title of the new Appendix and will rename it the "Non-traditional Funds Appendix" to better reflect its purpose of distinguishing funds offered under this Appendix from traditional funds.

[1] The processing time depends on the quality and completeness of the submitted information, and whether MAS' comments are addressed fully and in a timely manner.

2.15. MAS wishes to clarify that a fund authorised under this new Appendix will be required to carry a clear and prominent statement on the front page of its prospectuses and product highlights sheets, and in its marketing materials, stating that the fund is offered as a non-traditional fund under this Appendix.

Related enhancements to the CIS Code

2.16. MAS proposed to amend the CIS Code to provide flexibility for possible future amendments to investment requirements in the existing Appendices of the CIS Code for new fund types that remain largely in line with traditional funds.

2.17. Majority of respondents supported the proposal, noting that this would enable MAS to respond more efficiently to evolving market developments, with appropriate safeguards in place. One respondent sought clarification on how MAS would determine whether a new fund type should be offered under the new Appendix or accommodated through amendments to the existing Appendices, and suggested aligning this determination with the classification of complex products under the complex products framework.

MAS' Response

2.18. In view of the broad support received, MAS will proceed with the proposal.

2.19. MAS would like to clarify that funds offered under the new Appendix are expected to involve non-traditional features, including the heavy use of derivatives. Such funds would therefore be classified as complex products[2] under the complex products regime and enhanced distribution safeguards would apply accordingly.[3]

[2] A complex product is any product other than a prescribed capital markets product specified in the Schedule to the Securities and Futures (Capital Markets Products) Regulations 2018.
[3] Please see Response to Feedback Received on Enhancements to Product Highlights Sheet (PHS) Requirements and the Complex Products Framework (*link*).

Recognition of comparable foreign funds

2.20. MAS sought views on the proposal to recognise foreign funds that are comparable to new products that are authorised by MAS, including those under the proposed Alternative Funds Appendix.

2.21. Respondents supported the proposal. Some respondents sought guidance on the criteria and process for determining comparability of foreign funds. Two respondents sought clarification on whether the recognition of a new foreign fund type is contingent on the authorisation of a comparable fund.

MAS' Response

2.22. MAS will proceed with the proposal to recognise foreign funds that are comparable to new fund products that are authorised by MAS, including those under the new Appendix.

2.23. To provide clarity on the criteria and process for determining comparability of foreign funds[4], MAS will publish a list of additional information that would need to be submitted to MAS alongside the recognition application. For new fund types, MAS will put in place appropriate safeguards in the CIS Code for an authorised fund before a comparable foreign fund type may be considered for recognition. This ensures comparable regulatory treatment of authorised and recognised funds and supports a level playing field.

Applicability to investment-linked policy (ILP) sub-funds

2.24. One respondent sought clarification on whether investment-linked policy sub-funds may invest in new fund types authorised under the new Appendix, and in comparable foreign funds recognised by MAS.

MAS' Response

2.25. The revised CIS Code framework will also be applied to ILP sub-funds where relevant. Implementation for ILP sub-funds will take place at a later stage, following the necessary amendments to MAS Notice 307 (Investment-Linked Policies).

[4] This refers to new foreign fund product types and/or funds from jurisdictions where MAS has not previously assessed for recognition pursuant to Section 287 of the SFA.

3. Other matters pertaining to new fund product examples

3.1. Besides the issues stated in the consultation paper, respondents also provided feedback on the investment requirements and alternative safeguards that MAS intends to apply to the two new fund types.

Futures-based single-commodity funds

3.2. Some respondents suggested removing the naming restriction as they were of the view that the term "ETF" describes the exchange-traded nature of such a fund without implying that the fund provides diversified exposure. Several respondents sought clarification on the proposed safeguards, including the criteria for a "well-recognised futures price index" and the requirement to disclose the customer segment that the fund intends to target.

3.3. One respondent suggested additional disclosures, including the fund's methodology for rolling futures contracts and impact of contango and backwardation on the fund's returns to facilitate investor understanding.

MAS' Response

3.4. Having considered the feedback received, MAS will not proceed with the proposed prohibition on the use of the term "ETF" in the fund name. However, the fund name must clearly refer to the type of commodity futures invested in, so as to distinguish such funds from traditional ETFs that provide diversified exposure to underlying investments.

3.5. In relation to the criteria for a well-recognised index, MAS would like to clarify that the index[5] should meet the existing requirements of an acceptable index[6]. In assessing whether the index is "well-recognised", MAS will consider the extent to which it is used as a benchmark by market participants, as well as the length of its operational history[7].

3.6. Regarding the feedback on disclosures, MAS will not proceed with the requirement to disclose the target customer segment, to avoid duplicating existing product suitability disclosure requirements for funds. To facilitate investors' better understanding of the risks of a futures-based single-commodity fund, MAS will require the prospectus to describe the fund's methodology for rolling futures contracts. Where appropriate, illustrations, including numerical examples, should be provided to explain how contango and backwardation may affect the fund's performance under different market conditions.

Single-country government bond funds

3.7. Respondents sought clarification on whether the proposed amendments would supplement or replace the existing requirements for investments in public debt instruments[8]. Two respondents also sought clarification on the circumstances under which the proposed risk disclosure statement would be required.

3.8. Several respondents suggested expanding the scope of permissible public debt instruments to include newly issued instruments that are not yet constituents of a well-recognised international index, as well as instruments that are not constituents of such index but have comparable credit quality or risk characteristics. One respondent also sought clarification on the treatment of public debt instruments that are subsequently removed from a well-recognised international index. Another respondent suggested allowing the requirement to invest in at least six different issuances to be met through investments across multiple issuers, to cater to funds investing in public debt instruments of more than one country.

[5] Including futures price indices for futures-based single-commodity funds; and international indices for single-country government bond funds.
[6] Paragraph 4 (excluding (e)) of Appendix 5 of the CIS Code
[7] Examples of such indices include (a) for futures-based single-commodity funds, the S&P GSCI Crude Oil Enhanced Index Excess Return, which tracks the price of West Texas Intermediate Crude Oil Futures Contracts with different expiration dates traded on NYMEX, and the DCE Iron Ore Futures Price Index, comprising DCE Iron Ore Futures Contracts; and (b) for single-country government bond funds, the JPMorgan Government Bond Index-Emerging Markets and FTSE World Government Bond Index.
[8] Including modified requirements under MAS Circular CFC 02/2020: on the Modification to the Single Entity Limit for Country-Specific Government Bond Funds.

MAS' Response

3.9. MAS would like to clarify that the proposed amendments will replace the existing requirements for funds investing in public debt instruments, including the modified requirements under MAS Circular CFC 02/2020. MAS would also like to clarify that the proposed risk disclosure statement requirement will only apply to funds that invest, most if not all, of their assets in public debt instruments issued by the government of a single country.

3.10. Regarding the scope of permissible public debt instrument investments, MAS will modify the requirement to include all public debt instruments issued by a government with public debt instruments that are constituents of a well-recognised international index. This will provide greater flexibility in the range of permissible public debt instrument investments that a fund may invest in. For funds investing in public debt instruments of more than one country[9], MAS would like to clarify that the requirement to invest in at least six different issuances may be satisfied by investing across different issuers.

[9] These refer to funds that have exposure to public debt instruments, including diversified government bond funds and bond funds that invest in both corporate bonds and public debt instruments.

Annex A

List of respondents to the Consultation Paper on Proposed Amendments to the Code on Collective Investment Schemes to Facilitate Retail Fund Product Innovation

1. Asset Management Group (AAMG) of Asia Securities Industry & Financial Markets Association (ASIFMA)
2. CFA Society Singapore
3. Eastspring Investments (Singapore) Limited
4. Investment Management Association of Singapore (IMAS)
5. Praveen Gopalakrishnan
6. Respondent A, who requested confidentiality of identity
7. AIA Singapore Private Limited, who requested confidentiality of submission
8. Allen & Gledhill LLP, who requested confidentiality of submission
9. Allianz Global Investors Singapore Limited, who requested confidentiality of submission

Note: 3 other respondents requested confidentiality of both their identities and submissions.

Please refer to Annex B for the submissions.

Annex B

Note: The table below only includes submissions for which respondents did not request confidentiality.

S/N	Respondent	Responses from Respondent
1	Asset Management Group of Asia Securities Industry & Financial Markets Association	**Question 1.** On behalf of the Asset Management Group ("AAMG") of Asia Securities Industry & Financial Markets Association ("ASIFMA"), we would like to submit our response to the Monetary Authority of Singapore ("MAS") Consultation Paper on Proposed Amendments to the Code on Collective Investment Schemes ("CIS Code") to Facilitate Retail Fund Product Innovation ("Consultation Paper"). We are generally supportive of MAS' proposals in the Consultation Paper to introduce greater flexibility to facilitate fund product innovation and enable a wider range of new fund product types to be authorised for retail offer more expeditiously subject to appropriate investor safeguards. We generally agree with the key factors set out in paragraph 2.5 of the Consultation Paper in determining whether to allow a new fund type to deviate from investment requirements. We assume and hope that these key factors apply to Alternative Funds that are not limited to Futures-based single-commodity funds as specifically set out in the proposed Appendix 8 or Alternative Funds Appendix. For example, alternative funds may also include private market investment funds and funds with commodities exposure through a combination of diversified commodity-related instruments and indices. It would be helpful if MAS could confirm our assumptions in the Consultation Conclusions. To facilitate fund innovation, we would also expect that factor (b) in paragraph 2.5 is just a consideration and not a pre-requisite for admission of a scheme as the information set out under Annex 1-B on similar schemes in other jurisdictions only needs to be submitted "if applicable". **Question 2.** We welcome the introduction of a new Appendix under which new fund types may be permitted to deviate from investment requirements within Appendix 1 subject to alternative safeguards. We assume that the new Appendix will be updated from time to time to facilitate the addition of new fund types thereto. We note also MAS' proposal to amend the investment requirements under the relevant Appendices of the existing CIS Code to accommodate a new fund type that remains largely in line with traditional funds as opposed to including the new fund type in a separate Appendix. We have no objection to this approach

		provided that it is clear that the core requirements in Chapter 4 of the CIS Code applicable to all CIS are clearly distinguishable from any separate requirements for certain fund types. For example, the proposed amendments for single-country government bond funds are set out in the Core Requirements in Appendix 1 as opposed to specialised fund types which requirements are set out in dedicated Appendices in the CIS Code. In the Consultation Paper, MAS proposes to permit a wider range of single-country government bond funds and has decided to remove the Credit Rating Requirements while retaining two safeguards on product-level requirements and disclosure requirements. The proposed amendments to paragraphs 2.4 to 2.7 in Appendix 1 appear to apply only to Government and other public debt securities/money market instruments ("Public Debt Instruments"). It would be helpful if MAS could clarify if these requirements are in place of or in addition to the other Core Requirements since both of these requirements are in the same Appendix 1. In addition, we appreciate if MAS could clarify whether the applicable single entity limits for general authorised schemes apply to funds that invest in government bonds as part of a broader diversified investment strategy, such as balanced funds, multi-asset funds and mixed-asset funds, rather than paragraphs 2.6 and 2.7 of Appendix 1. In addition, we note that there is MAS Circular CFC 02/2020 on Modification to the Single Entity Limit for Country-Specific Government Bond Funds which modifies the requirements in the CIS Code. We assume and would appreciate MAS confirmation that, upon implementation of the proposed amendments, MAS Circular CFC 02/2020 will be superseded. This would avoid uncertainty as to whether market participants should continue to refer to the Circular alongside the revised Appendix 1 of the CIS Code. Separately, regarding the proposed conditions under paragraph 2.6 of Appendix 1, it would be helpful if MAS could allow flexibility when a scheme's investment in a newly issued Public Debt instrument results in exceeding the 10% single entity limit and temporarily failing to meet the conditions of paragraph 2.6 (b) pending the newly issued instrument's inclusion in a well-recognised international index. In addition, we would appreciate MAS' clarification and guidance on the transitional approach when holdings in a Public Debt Instrument marginally exceed 10% (e.g., an increase from 10% to 11%) which could trigger the requirement to re-allocate from one issuance to at least six different issuances of Public Debt Instruments by the same issuing entity or trust. **Question 3(a).** We have no particular views on the proposed title of the Appendix for Alternative funds.

		Question 3(b). We agree with this requirement. **Question 4.** We agree with the proposal to incorporate flexibility in Chapter 4 of the CIS Code to enable MAS to amend investment requirements in existing Appendices of the CIS Code. **Question 5.** We agree with MAS' proposal to recognise foreign funds that are comparable to new fund products authorised by MAS, including those under the proposed Alternative Funds Appendix ("Appendix 8"). However, we would appreciate clarification from MAS on the basis under which a foreign fund is determined to be "comparable" to an Appendix 8 fund. In particular, it is unclear whether foreign funds will be expected to demonstrate compliance with specific Appendix 8 requirements, such as investment restrictions, naming requirements, disclosure obligations and investor safeguards, which may differ from the requirements of the foreign fund's home jurisdiction. We suggest that MAS extend its existing practice for recognised scheme applications to those that are comparable to new fund products, i.e., to consider whether the foreign scheme and its home jurisdiction framework collectively deliver at least equivalent investor protection as required by the Singapore Securities and Futures Act and, where relevant, whether the home-jurisdiction investment guidelines are substantially similar with the CIS Code, with targeted additional requirements for specific product categories (e.g., retail hedge funds). This would be particularly helpful given the practical challenges that may arise in regard to foreign funds, such as: • differences in legal structure and fund form; • differing liquidity and redemption arrangements; • variations in valuation methodologies and valuation timing; • the use of feeder, fund-of-funds or other indirect exposure structures.
2	CFA Society Singapore	**Question 1.** We agree with MAS' proposed direction to introduce greater flexibility in the investment requirements for authorised schemes, taking into account the evolving nature of investment strategies and investor needs. In particular, we support a principles-based framework, where appropriate safeguards are achieved through a combination of disclosure, governance, and risk management measures, rather than relying solely on prescriptive portfolio limits. This would better accommodate differing risk-return profiles across funds while maintaining adequate investor protection.

		We note that certain prescriptive requirements may not fully reflect market realities. For example, strict index-based or ratings-based criteria may constrain portfolio construction without necessarily improving risk outcomes. In particular: • Requirements tied to specific index compositions may constrain investable universes and thereby raise concentrations. • Bond-level credit ratings may not always be available or may not accurately reflect risk, especially where issuers are fundamentally sound but unrated due to cost considerations. In this regard, we support allowing alternative measures of creditworthiness, including issuer- or sovereign-level assessments, where appropriate and supported by robust internal credit processes. Overall, we consider MAS' proposed factors to be appropriate, provided that they are applied in a manner that preserves investor transparency, comparability, and suitability. **Question 2.** We support the introduction of a new Appendix to set out alternative safeguards for funds that deviate from existing investment restrictions. We consider this to be a practical and proportionate regulatory approach, as it: • Provides a clear and structured mechanism to accommodate non-standard investment strategies; • Preserves the integrity of the existing CIS framework without requiring broad amendments; and • Allows innovation while maintaining appropriate investor protection. The proposed approach strikes an appropriate balance between flexibility and safeguards, particularly where deviations from standard requirements are accompanied by enhanced disclosure, governance, and risk management controls. We therefore agree with the proposal. **Question 3(a) & (b).** (a) Members are divided over the proposed naming approach. Some are generally in favour of the use "Alternative Funds" as a base descriptor but prefer a modifier such as "Retail". Others, however, prefer a risk-descriptive second-tier label. (b) We agree with the proposed requirement for clear and prominent disclosure for funds relying on the new Appendix. We consider disclosure to be a key

		safeguard, particularly where funds adopt alternative investment approaches. Such disclosure should be: • Clear and prominent, including in the prospectus, Product Highlights Sheet, and marketing materials; • Consistent and standardised, to facilitate comparability across funds; and • Sufficiently detailed, to enable investors to understand the nature of the deviations, associated risks, and suitability considerations. Where implemented effectively, enhanced disclosure can serve as an appropriate complement to, and in some cases substitute for, prescriptive investment limits. **Question 4.** We agree with MAS' proposal to retain flexibility to amend existing appendices. Such flexibility is important to ensure that the CIS framework remains responsive to market developments, including evolving investment strategies, asset classes, and risk considerations. We also note that the use of appendices as a modular mechanism allows for targeted updates without disrupting the broader framework, which is appropriate from both a regulatory and operational perspective. **Question 5.** We agree with MAS' proposed approach for recognising foreign funds under the new Appendix. In particular, we support an approach whereby, foreign funds may be recognised where their investment strategies and safeguards are consistent with the CIS Code, without requiring strict replication of locally authorised fund structures. This approach appropriately facilitates cross-border offerings while maintaining regulatory standards, and avoids unnecessary constraints on product availability for Singapore investors. **Other comments.** 1. <u>Commodity-related funds</u> Some of our members expressed concerns regarding the suitability of certain commodity strategies for retail investors, particularly where exposure is obtained through futures-based structures, which may introduce additional risks such as counterparty exposure and roll costs. In this regard, consideration may be given to whether such exposures are more appropriately accessed through exchange-traded funds - ETFs, which may offer greater transparency and operational safeguards. 2. <u>Treatment of unrated bonds</u>

		We highlight that in certain markets, including Singapore, a significant proportion of issuers may be unrated despite being creditworthy, often due to cost considerations rather than underlying risk. As such, reliance solely on bond-level ratings may unduly restrict investment universes. Greater flexibility to assess creditworthiness using issuer-level or internal credit assessments or sovereign ratings would better reflect market realities. 3. <u>Calibration of concentration or index-related limits</u> Some of our members expressed concerns that certain concentration or index-based requirements may not align with the available universe of fixed income instruments which could then result in artificial constraints on portfolio construction. Allowing calibrated flexibility, supported by disclosure and risk management controls, would improve the practical applicability of the framework. 4. <u>Role of disclosure and investor understanding</u> We reiterate that clear disclosure and investor education are critical in supporting more flexible investment frameworks. Retail investors are diverse, and a well-calibrated disclosure regime can enable informed investment decisions without over-reliance on prescriptive restrictions. Overall, we support MAS' proposed amendments and consider them to be a measured and forward-looking enhancement to the CIS framework, balancing flexibility, innovation, and investor protection.
3	Eastspring Investments (Singapore) Limited	**Question 1.** In respect of paragraph 2.5(a), we agree that the redemption frequency of a fund should be commensurate with the liquidity profile of its underlying assets. We respectfully invite MAS to consider whether fund managers should maintain appropriate escalation and contingency procedures to address market disruption events that may affect liquidity management. Consideration could also be given to the role of daily margining arrangements and the adequacy of collateral, where relevant to the fund's investment strategy and risk profile. In respect of paragraph 2.5(b), we respectfully seek clarification on MAS' approach to novel fund structures that may not have been previously offered in other jurisdictions. Specifically, where a proposed fund type is entirely new and the product manufacturer may not be able to provide all of the information contemplated under proposed Annex 1, would MAS be prepared to consider such applications on a case-by-case basis? In addition, MAS may wish to consider whether the availability of independent and observable pricing sources should form part of the assessment criteria, particularly for products with significant derivative exposures or concentrated investment portfolios, where valuation considerations may be more pronounced.

		Question 2. We respectfully request that MAS consider permitting broader forms of exposure to a single commodity beyond a purely futures-based approach. For example, exposure to a commodity such as gold may be obtained through a combination of instruments, including exchange-traded funds (ETFs), futures, exchange-traded commodities (ETCs), options, and equities of commodity-related companies (e.g., gold mining companies), subject to appropriate risk management and disclosure requirements. Such flexibility may enable fund managers to achieve the intended investment objective while accommodating different market conditions and portfolio construction approaches. In relation to the proposed amendments to Appendix 1, we note that the three conditions under paragraph 2.6 are proposed to be satisfied concurrently. Under paragraph 2.6(b), we would appreciate clarification on the treatment of newly issued securities that have not yet been included in the relevant index. For example, would new issuances by the Government of Singapore be permitted to exceed the 10% issuer limit under paragraph 2.6 of the proposed Appendix 1 pending their inclusion in the index? In addition, will the indices provided in the guidance include all bonds that are issued or guaranteed by government or government agency issuers? In addition, paragraph 2.6(c) may result in operational constraints where allocations to Singapore Government Securities marginally exceed 10%. By way of illustration, an increase in exposure from 10% to 11% could necessitate allocation across at least six separate issuances in order to satisfy the concentration requirements. We would appreciate MAS' guidance on whether any flexibility or transitional approach is contemplated in such circumstances, particularly where the underlying credit risk remains attributable to the same sovereign issuer. Alternatively, MAS may wish to consider retaining the existing restrictions in paragraph 2.6 of Appendix 1 in the current Code on Collective Investment Schemes, and introducing the proposed amendments as an alternative set of investment restrictions where a scheme is unable to comply with the existing restrictions. **Question 3(a).** N.A. **Question 3(b).** We agree that it would be appropriate for clear and prominent disclosures to be provided in the prospectus, Product Highlights Sheet (PHS) and relevant marketing materials, so that investors are able to make informed investment decisions and fully understand the nature, risks and key characteristics of the product. **Question 4.**

		We note that the term "Alternative Funds" may also encompass strategies involving private market assets, such as private equity, private credit and infrastructure investments. In this regard, we respectfully seek clarification from MAS on whether funds investing in such asset classes could, in due course, be considered for authorisation under the proposed Appendix. We recognise that one of the key challenges is that private market assets may not satisfy the current definition of "transferable securities" under Appendix 1 of the Code on Collective Investment Schemes. In light of the proposed flexibility contemplated under Chapter 4 of the CIS Code, we respectfully seek MAS' consideration as to whether the definition of transferable securities could be expanded, or alternative eligibility criteria introduced, to accommodate private market investments while maintaining appropriate investor protection safeguards. In this regard, we note that proposed Annex 1 item A)ii) requires the identification of "the specific provisions under the Code on CIS that the scheme requires deviation from, and the reasons for such deviation", and would appreciate clarification on whether this may extend to deviation from, or expansion of, the definition of "transferable securities". Such an approach may facilitate broader product innovation and investor access to alternative asset classes, while allowing MAS to establish appropriate risk management, valuation, liquidity and disclosure requirements commensurate with the characteristics of private market investments. **Question 5.** We support MAS' proposal to recognise foreign funds that are comparable to new fund products authorised by MAS, including those under the proposed Alternative Funds Appendix, as this would broaden the range of investment options available to Singapore investors. We also respectfully request that MAS consider recognising foreign funds within the Alternative Funds category that are constituted in well-established regulatory regimes, such as UCITS funds domiciled in Luxembourg or Ireland. For example, products such as the Calamos Autocallable Income UCITS ETF may offer Singapore investors access to innovative investment strategies within a regulated framework. Where such funds are subject to regulatory standards and investor safeguards that are broadly equivalent to those applicable to MAS-authorised schemes, we would welcome MAS' consideration of their eligibility for recognition in Singapore.
4	Investment Management Association of Singapore	**Question 1.** Members are broadly supportive of the three key factors proposed by MAS in paragraph 2.5, namely compliance with International Organisation of Securities Commissions (IOSCO) principles, the listing or offer history of similar products in other jurisdictions, and the adequacy of proposed safeguards. Members consider that these factors provide an appropriate and principled framework for assessing new fund types whilst maintaining investor protection.

		Several members also highlighted that, in addition to the proposed factors, MAS should consider whether the necessary operational and market infrastructure is sufficiently developed to support the new fund type. This includes considerations such as the availability of robust valuation methodologies, reliable market data and indices, and adequate market-making arrangements. Ensuring operational readiness across the product ecosystem would help facilitate a smooth product launch and ongoing fund management. Members further seek clarification on whether the proposed framework under paragraphs 2.4 and 2.5 is intended to support consideration of a broader range of fund structures beyond the two examples set out in the consultation paper, including private assets funds and diversified commodity strategies. Members note that MAS issued a separate Consultation Paper on Providing Retail Access to Private Market Investment Funds in March 2025, and it would be helpful if MAS could clarify whether the framework proposed in the present consultation paper is intended to operate alongside, or to subsume, the earlier private markets proposal, such that issuers would be able to consult MAS on admitting private market investment funds or other novel fund structures that may not have been previously offered in other jurisdictions, for authorisation under the same framework. Likewise, members also request that MAS confirm whether the proposed framework may be applied to a broader range of commodity-related fund structures beyond futures-based single-commodity funds, such as diversified commodity strategies and commodity index funds, subject to appropriate safeguards and investor protection measures. In addition, members seek clarification on several specific points arising from the proposed amendments to Appendix 1 of the CIS Code in relation to single-country government bond funds: a) With reference to paragraph 2.6(b), where the single entity limit of 10% does not apply where the relevant Public Debt Instruments are constituents of a well-recognised international index, members request that MAS confirm whether the single entity limit would revert to 10% if an issuing entity or issue is subsequently removed from the index composition. b) With reference to paragraph 2.7(a), which requires a disclosure statement that the scheme invests "most, if not all" of its assets in transferable securities or money market instruments issued by the government of a single country, members request that MAS clarify the specific threshold or minimum percentage implied by the phrase "most, if not all" in this context. c) Members also request that MAS clarify its expectations where there may be differences between the CIS Code and the Central Provident Fund (CPF) Investment Guidelines in relation to Public Debt Instruments and the single entity limit. IMAS recommends that MAS adopt operational and infrastructure readiness as

		an additional factor in its assessment of new fund types, clarify the scope of the proposed framework in respect of private assets funds and broader commodity-related strategies, and address the specific clarification points raised above in relation to the proposed Appendix 1 amendments. **Question 2.** Members are generally supportive of the proposed introduction of a new Appendix (the "Alternative Funds Appendix") under which new fund types may be permitted to deviate from the investment requirements within Appendix 1 of the Code on Collective Investment Schemes (CIS Code), while being subject to alternative safeguards. The proposed framework provides a transparent and scalable approach for accommodating new fund types without requiring extensive amendments to the CIS Code for each product category. That said, members note that certain chapters of the current CIS Code already allow for deviations based on fund type. For example, under the provisions on payment of redemption proceeds, proceeds should generally be paid out within seven business days after the dealing day (T+7). However, allowances for certain fund types, such as property funds and hedge funds, permit deviation from this general period, and these are set out in the funds' respective appendices. Members consider that a similar approach should be applied to funds authorised under the proposed Alternative Funds Appendix. Specifically, where a new fund type has characteristics that may warrant deviation from certain key fundamental requirements in the CIS Code (for instance, in relation to redemption timelines), flexibility should be accorded on a case-by-case basis depending on the nature of the fund, rather than applying all Chapter requirements without exception. IMAS respectfully suggests that MAS clarify whether, and under what circumstances, funds authorised under the Alternative Funds Appendix may be permitted to deviate from specific Chapter requirements of the CIS Code where the fund type so warrants. Members also request further guidance on the minimum considerations or characteristics of safeguards that would generally be regarded as adequate by MAS when assessing proposals under the Alternative Funds Appendix. Such guidance would facilitate fund managers in the design of new fund products and help ensure that submissions to MAS are appropriately structured from the outset. IMAS recommends that MAS provide indicative guidance on the types and standards of safeguards it would expect across the product-level, disclosure and distribution dimensions. Members also seek clarification on the relationship between the proposed Alternative Funds Appendix and MAS's recent consultation on retail access to private market funds. In particular, members request that MAS confirm whether other fund types, such as semi-liquid private market funds, could be considered under the proposed Alternative Funds Appendix. It would be helpful if MAS could confirm how the two frameworks are intended to interact.

		In addition, members request that MAS clarify the following procedural points relating to the approval process for new fund types under the proposed Appendix: a) With reference to paragraph 2.6 of the consultation paper, members seek confirmation on whether a new fund type must have both a relevant circular issued and a corresponding update to Appendix 8 before MAS can approve individual funds coming in under that new fund type. b) With reference to paragraph 2.10, members seek clarification on whether the requirement to consult MAS prior to applying for authorisation applies to all issuers seeking authorisation under the new Appendix 8, or only to issuers proposing to offer new fund types that are not yet included in Appendix 8. c) With reference to Appendix 1, paragraph 2.6 (b), members appreciate clarification on the treatment of newly issued securities that have not yet been included in the relevant index, for example, would new issuance by Government of Singapore be permitted to exceed the 10% issuer limit, pending their inclusion in the index? Some members consider that the proposed amendments relating to single-country government bond funds may be more appropriately housed in a dedicated appendix or section, rather than within the general provisions of Appendix 1. This point is elaborated further in IMAS's response to Question 4. **Question 3(a).** Members have no strong objection to the proposed title "Alternative Funds Appendix". However, several members noted that the term "alternative fund" may cause confusion among retail investors, who could interpret it as referring specifically to alternative asset classes such as hedge funds, private equity or private credit. If MAS retains the proposed title, IMAS recommends that MAS prescribe clear explanatory disclosure to accompany the title, so as to avoid potential misunderstanding about the nature of funds authorised under this Appendix. **Question 3(b).** Members support the requirement for funds authorised under the new Appendix to carry a clear and prominent statement in their prospectuses, Product Highlights Sheets (PHS) and marketing materials. To promote consistency across the industry, IMAS recommends that MAS consider prescribing standardised disclosure wording requirements, or at minimum, a set of mandatory disclosure elements. This would help ensure that investors receive clear, consistent and understandable information regardless of the fund manager or distributor involved. Members also seek clarification on the requirement to disclose the "customer segment that the scheme intends to target" (as set out in paragraph 3.9(d)(iii) of the consultation paper). In particular, members request that MAS confirm

		whether it has predefined or standard terminology for the description of customer segments, or whether this would be left to the issuer's discretion. IMAS recommends that MAS provide standard terminology or more specific guidance on how such customer segments should be disclosed, in order to reduce ambiguity and ensure consistency of disclosure across funds. **Question 4.** Members support the proposal to incorporate flexibility within Chapter 4 of the CIS Code to enable MAS to modify or amend investment requirements in existing Appendices. The proposed approach would enable MAS to respond more efficiently to evolving market developments, international practices and product innovation, while ensuring that appropriate investor safeguards remain in place. That said, members have raised a specific concern regarding the scope and application of the proposed amendments to paragraphs 2.6 and 2.7 of Appendix 1. The consultation paper consistently describes the proposal to remove the Credit Rating Requirements in the context of single-country government bond funds. The proposed disclosure requirements in paragraph 2.7 are clearly tailored to such funds, requiring disclosure that the scheme invests most, if not all, of its assets in public debt instruments issued by the government of a single country and highlighting associated concentration and sovereign risks. The retained safeguards in paragraph 3.14 are similarly explained as supporting the operation of single-country government bond funds. However, the proposed amendments are drafted directly within Appendix 1, which applies generally to all authorised schemes. Unlike other specialised fund types whose requirements are set out in dedicated appendices, the CIS Code does not currently contain a dedicated appendix or category for single-country government bond funds. Furthermore, the existing framework permitting modifications to the single entity limit for country-specific government bond funds is set out in MAS Circular CFC 02/2020, rather than in the CIS Code itself. Members consider that the scope of paragraphs 2.6 and 2.7 should be made clearer to avoid uncertainty regarding their applicability. IMAS recommends that MAS consider one of the following approaches: a) introducing a dedicated appendix or section within the CIS Code specifically for single-country government bond funds, which would be consistent with the treatment of other specialised fund categories under the CIS Code; or b) expressly stating within paragraphs 2.6 and 2.7 that the exception from the single entity limit and the related disclosure requirements are only available to single-country government bond funds. Members' preferred approach would be the introduction of a dedicated appendix or section for single-country government bond funds, as this would provide greater clarity to market participants, particularly given that the proposed disclosure requirements and safeguards are product-specific rather than of general application.

		In addition, members request that MAS confirm whether, upon implementation of the proposed amendments, MAS Circular CFC 02/2020 will be expressly superseded, withdrawn or otherwise incorporated into the CIS Code. This would avoid uncertainty as to whether market participants should continue to refer to the Circular alongside the revised provisions in Appendix 1. Finally, members request that MAS clarify the applicable single entity limits for other authorised schemes that invest in government bonds as part of a broader diversified investment strategy, such as balanced funds, multi-asset funds and mixed-asset funds. It would be helpful if MAS could confirm whether such funds remain subject to the ordinary single entity concentration limits and whether the exception under paragraphs 2.6 and 2.7 is unavailable to them. **Question 5.** Members are broadly supportive of MAS's proposal to recognise foreign funds that are comparable to new fund products authorised by MAS, including those under the proposed Alternative Funds Appendix. Members agree that such recognition would provide Singapore investors with access to a wider range of investment solutions and support greater product diversity in the local market, subject to MAS being satisfied that the foreign fund operates within a regulatory framework that provides safeguards broadly comparable to those applicable to equivalent Singapore-authorised products. That said, member views are divided on the timing of such recognition. Some members consider that, for prudence, MAS should first observe how the new Appendix 8 framework is received and operates in practice for locally-domiciled funds before extending recognition to comparable foreign funds. Other members support immediate recognition, provided that the comparability assessment is sufficiently robust. On the comparability assessment itself, members request further clarification on the level of assessment required to determine whether a foreign fund is "comparable" to a fund authorised under Appendix 8. In particular, it is unclear whether foreign funds will be expected to demonstrate compliance with specific Appendix 8 requirements, such as investment restrictions, naming requirements, disclosure obligations and investor safeguards. Members recommend that MAS adopt an approach that focuses on whether the foreign fund achieves broadly comparable investor protection outcomes, rather than strict alignment with each specific Appendix 8 requirement. This would be particularly helpful given the practical challenges that may arise when comparing foreign funds, including differences in legal structure and fund form, differing liquidity and redemption arrangements, variations in valuation methodologies and valuation timing, and the use of feeder, fund-of-funds or other indirect exposure structures. IMAS recommends that MAS provide further guidance on the criteria for assessing comparability, including the extent to which equivalent overseas safeguards may be accepted in lieu of compliance with specific Appendix 8 requirements.

		Multiple members also flagged the need for more specific guidance on comparability for regulated foreign fund structures such as Luxembourg Undertakings for Collective Investment in Transferable Securities (UCITS), Part II Undertakings for Collective Investment (UCIs), European Long-Term Investment Funds (ELTIFs) and other regulated alternative fund structures. These structures may have semi-liquid terms, invest in private assets or adopt alternative strategies. Members request that MAS provide guidance on the extent to which factors such as dealing frequency, valuation governance and frequency, investment and diversification requirements, leverage limits and disclosure requirements will be considered in determining comparability for such foreign fund structures. Several members also noted that the proposed amendments, as drafted, imply that the MAS consultation process for new fund types is only available to schemes constituted in Singapore seeking authorisation. Paragraph 2.16 further implies that there must first be an existing new fund product that has been authorised by MAS before a comparable foreign fund is considered for recognition. IMAS respectfully suggests that MAS broaden its consultation process to include recognised foreign funds that are seeking retail access, even where there may not yet be a comparable authorised fund in the Singapore market, provided that the recognised fund satisfies the key criteria set out in paragraph 2.5 and has in place appropriate safeguards. In light of the above, we respectfully recommend that MAS clarify the criteria and process for assessing comparability of foreign funds, provide specific guidance for commonly encountered foreign fund structures, and consider whether a phased approach to foreign fund recognition may be appropriate. **Other comments.** Members are generally supportive of MAS's proposed amendments to the CIS Code, which would provide greater flexibility for retail fund product innovation while maintaining appropriate investor safeguards. In relation to futures-based single-commodity funds, members note that MAS proposes that such funds track a well-recognised futures price index of the relevant commodity. Whilst members understand the rationale for this approach, some members request that MAS clarify whether the framework is intended to remain sufficiently flexible to accommodate alternative structures, including actively managed commodity strategies, where appropriate safeguards and disclosures are in place. IMAS recommends that MAS confirm whether the index-tracking requirement is a strict condition for all futures-based single-commodity funds, or whether there is scope for MAS to consider actively managed approaches on a case-by-case basis. Members also request that MAS clarify whether investment-linked products governed under MAS Notice 307 would be permitted to invest in both the new fund types authorised under the proposed Alternative Funds Appendix and

		foreign funds recognised by MAS as comparable to such new fund types. IMAS recommends that MAS address this point, as it has implications for the distribution and accessibility of the new fund products within the insurance-linked investment space.
5	Praveen Gopalakrishnan	**Question 1.** The three factors in paragraph 2.5 are sensible. I would add one: the liquidity of the underlying market itself. For a futures-based fund, whether the fund can meet redemptions depends less on the fund's asset mix and more on whether the underlying futures contract is deep enough - open interest, daily volume, how many contract months actually trade. Two commodities can both be "permitted" on paper and look very different on this measure. It would also be worth committing to a review of each new fund type a couple of years after admission, based on how the products actually behaved (tracking difference, complaints, spreads for listed funds). Other regulators have tended to refine these regimes iteratively, and MAS will likely need to as well. **Question 2.** I support this. One practical request: as circulars accumulate under the Appendix, please keep a single consolidated page listing every fund type admitted and its modified requirements. If the effective rulebook ends up scattered across many circulars, it becomes hard for distributors (and investors who bother to look) to know what applies. **Question 3(a).** I would reconsider "Alternative Funds Appendix". In everyday market usage, "alternatives" means hedge funds and private markets. A retail investor who sees "alternative fund" on a product highlights sheet may read something quite different from what the Appendix actually covers, which is funds with concentrated exposures or heavier derivative use that still comply with the core chapters of the Code. "Specialised Funds Appendix" would be more accurate - it also lines up with how Hong Kong labels its non-traditional schemes, which helps anyone comparing across the two markets. **Question 3(b).** Support. Two suggestions to make it bite. First, prescribe the minimum wording, the same way warning statements are prescribed elsewhere; if every issuer drafts its own version, the statement will drift. Second, require it to appear on the order screen of online and mobile platforms before the investor confirms the trade, not only in the prospectus and PHS. Most retail orders now go through an app, and a disclosure that sits only in a PDF nobody opens is not really a disclosure. The related naming rules in 3.9 - especially keeping "ETF" out of the name of exchange-traded versions — are good, and I hope they are kept as drafted.

		Question 4. Support, with one ask: where an amendment will apply to all authorised funds (paragraph 2.14), it should normally come with prior consultation, or at least advance notice and a transition period for technical changes. Predictability of the rulebook matters for Singapore as a fund domicile, and this flexibility is easier to support if its use is transparent. **Question 5.** Support. The comparability test should look at substance, not just home-jurisdiction authorisation: broadly equivalent product-level limits, and the same prominent alternative-fund statement and risk disclosures in the Singapore offer documents as a locally authorised fund of the same type would carry. Recognition also should not leave MAS-authorised funds worse off on time-to-market than a recognised foreign equivalent. **Other comments.** Two technical points: • Roll risk disclosure (3.9(d)(i)): beyond naming the risk, the prospectus should describe the fund's actual roll methodology and show a simple worked example of what contango and backwardation do to returns over time. The gap between spot price and futures-based returns is the single most misunderstood feature of these products, and a generic risk warning will not close it. • Removing the Credit Rating Requirements for single-country government bond funds: I agree with this. Hard-wired rating thresholds create exactly the cliff effects the paper describes, and moving away from mechanistic reliance on external ratings is consistent with the direction regulators have taken since the FSB's principles on the subject. The two retained safeguards — index membership, and at least six issuances with a 30% cap per issuance — do the real protective work, and they broadly match the equivalent UCITS treatment. One addition: where the sovereign is below investment grade or unrated, the prospectus should be required to say so plainly. Taking ratings out of the admission criteria should not mean taking that information away from the investor.
6	Respondent A	**Question 1.** Respondent A is supportive of MAS considering amendments to the investment requirements where such changes would facilitate the development of investment products that provide genuine diversification benefits to retail investors, and are in response to demonstrable demand from retail investors. In assessing whether new investment types should be permitted, Respondent A respectfully suggests that MAS may consider the readiness and maturity of the supporting infrastructure for trading / liquidating of the new investment type. By way of example, for digital assets, considerations may include the availability of digital wallet services, the ease of onboarding and usage by retail investors.

		In addition, Respondent A would appreciate clarification on whether, for Alternative Funds that invest in private or other relatively illiquid assets which may not satisfy the liquidity requirements typically applicable to retail funds, it would be sufficient for product manufacturers to provide clear and prominent disclosures relating to valuation risks. Such disclosures could, for example, address the limited transparency associated with the valuation of alternative assets, as well as the inherent uncertainties involved in their valuation, including the extent to which valuations may be dependent on assumptions, methodologies and valuation models. Respondent A respectfully seeks MAS' guidance on whether such disclosure-based safeguards would be considered adequate in addressing the valuation-related risks associated with these asset classes. **Question 2.** Respondent A supports the proposal, as it is expected to provide greater regulatory clarity and facilitate the development of new and innovative investment products that may not fit within the parameters of traditional fund structures. Such clarity would support product innovation while enabling fund managers to continue operating within an appropriate regulatory framework. Respondent A further notes that paragraph 2.11 of the consultation paper indicates that the alternative set of requirements applicable to authorised funds will be published through separate circulars. For ease of reference and to facilitate a more holistic understanding of the regulatory requirements, Respondent A respectfully suggests that MAS consider incorporating such requirements under the proposed Alternative Funds Appendix within the CIS Code, where appropriate. Respondent A believes that consolidating the relevant requirements within the CIS Code may enhance accessibility, improve ease of tracking for market participants, and allow the applicable framework to be reviewed in its entirety within a single reference document. **Question 3(a).** In relation to the proposed Appendix title, Respondent A is supportive of "Alternative Funds Appendix". **Question 3(b).** Respondent A respectfully suggests that MAS consider prescribing a set of standardised disclosure wording or disclaimer requirements for funds falling within the Appendix. A standardised approach may help promote greater consistency in disclosures across market participants, improve comparability for investors, and ensure that key product risks and characteristics are communicated in a clear and uniform manner. **Question 4.** Respondent A has no comments on this.

		Question 5. Respondent A notes that the proposal may facilitate greater cross-listing of foreign-domiciled ETFs and the distribution of foreign-domiciled mutual funds into Singapore through the recognised scheme framework. This may enhance product diversity and broaden investment choices available to Singapore investors, while also contributing to increased competition within the asset management industry. Respondent A notes that the benefits of the proposal may accrue more significantly to foreign asset managers seeking to distribute overseas products into Singapore. In contrast, Singapore-based fund managers with locally manufactured and domiciled funds may derive comparatively less benefit from the increased accessibility afforded to foreign products. Conversely, the influx of overseas products may stifle funds that are manufactured/ domiciled locally. In this regard, Respondent A respectfully suggests that MAS may consider how a level playing field may be maintained between foreign-domiciled and locally domiciled funds. In particular, MAS may wish to explore opportunities to further enhance the international recognition of Singapore-domiciled fund structures and facilitate their distribution into overseas markets. Respondent A notes that Singapore's CIS framework already incorporates many governance, operational and investor protection features that are broadly consistent with internationally recognised fund regimes, including UCITS-type structures. Accordingly, greater mutual recognition of Singapore-domiciled funds in overseas jurisdictions could help strengthen the competitiveness of Singapore as a fund domiciliation hub, while supporting reciprocal market access opportunities for Singapore-based asset managers. Respondent A is supportive of initiatives that promote investor choice and market development, provided that there is an appropriate balance between facilitating access to foreign products and maintaining the competitiveness of Singapore's domestic fund management industry. **Other comments.** 1) Respondent A seeks clarification on the proposal that futures-based single-commodity funds which are listed and traded on an exchange should not include the term "ETF" in their names. Respondent A notes that other jurisdictions commonly use terms such as "Commodity Futures ETF", "Futures ETF" or "Exchange-Traded Product (ETP)" for similar products. For example, futures-based commodity exchange-traded products in markets such as Hong Kong and Taiwan incorporate "ETF" or similar terminology within their fund names. In this regard, Respondent A suggests that MAS consider permitting the use of naming conventions with the term "ETF" for futures-based single-commodity funds which are listed and traded on an exchange. This may help

		investors more readily identify the exchange-traded nature of the fund and reduce potential ambiguity that could arise if the term "ETF" is omitted entirely from the fund name. 2) Further, with respect to the proposed futures-based single-commodity funds, Respondent A would appreciate clarification on how fund managers are expected to manage margin requirements arising from futures positions. Given the potentially significant volatility of commodity markets, futures positions may require frequent variation margin payments or margin top-ups. However, investors would generally make a fixed initial investment in the fund and would not ordinarily be expected to provide additional capital contributions thereafter. In this regard, Respondent A seeks guidance on how such futures-based single-commodity funds should be structured, and recommends that MAS expressly stipulate that such funds must ensure sufficient cash and liquid assets to manage initial and variation margin requirements arising from their futures positions. In particular, Respondent A would appreciate clarification on how MAS derived the proposed allowance for up to 10% of the fund's NAV to be held in eligible deposits and/or units of commodity ETFs, and whether this allocation is expected to be sufficient to meet margin calls or margin top-ups under stressed or volatile market conditions. Respondent A also suggests that for better clarity, MAS stipulate that the futures contracts invested in by such funds must be cash-settled and should not require or permit physical delivery of the underlying commodity. This is because physical delivery would introduce additional custody, storage, insurance, transportation, disposal and valuation risks which may not be appropriate for a retail CIS, and could create operational complexities that are inconsistent with the fund's intended objective of providing financial exposure to commodity futures rather than taking ownership of the physical commodity. Such guidance would be helpful in assessing the operational feasibility of the proposed structure and the appropriate disclosures to be included in the fund's offering documents. 3) In addition, Respondent A seeks clarification on the intended treatment of funds authorised under the proposed Alternative Funds Appendix for product classification purposes. Specifically, would all such funds be regarded as "Complex Products", or would there be scope for certain funds to be classified as "Non-Complex Products"?

Annex C

Information to be submitted to MAS

1. INFORMATION ON THE SCHEME

a) Key features of the scheme, including:

(i) the investment objective and focus of the scheme;
(ii) the investment approach of the manager; and
(iii) a description of the payoff structure of the scheme, including how the payoff is calculated and illustrative examples to explain the payoff structure;

b) The specific provisions under the CIS Code that the scheme requires deviation from, and the reasons for such deviation; and

c) The proposed measures that will be put in place by the manager to mitigate risks arising from the novel or new structure, risk or investment policy, and deviation from the relevant Appendix of the CIS Code, such as investment controls, enhanced disclosures and distribution arrangements. This should also include, but not be limited to:

(i) measures in place to ensure that the scheme will have sufficient liquidity to meet fund redemptions;
(ii) information on the manager's distribution plans for the scheme including distributor selection criteria, distributor training plans, measures against sales outside the intended target customer segment; and
(iii) investor education plans.

2. INFORMATION ON SIMILAR SCHEMES IN OTHER JURISDICTIONS (IF APPLICABLE)

a) A list of jurisdictions where similar schemes have been launched for offer to retail investors, stating the regulatory approvals obtained;

b) The number of years similar schemes have been listed or offered in the respective jurisdictions;

c) The asset under management of similar schemes in other jurisdictions; and

d) A description of any adverse incidents involving similar schemes in other jurisdictions in the past two years, including investigations by regulatory authorities, lawsuits, and reported investor complaints.