



Monetary Authority of Singapore

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

**GUIDELINES ON CRITERIA FOR THE GRANT OF A
CAPITAL MARKETS SERVICES LICENCE OTHER THAN
FOR FUND MANAGEMENT**

Guideline No : SFA 04-G01

Issue Date : 1 October 2002 (Last revised on 15 June 2016)

GUIDELINES ON CRITERIA FOR THE GRANT OF A CAPITAL MARKETS SERVICES LICENCE

1 PURPOSE

1.1 These Guidelines are issued pursuant to section 321 of the Securities and Futures Act (Cap. 289) ["SFA"].

1.2 These Guidelines set out the minimum licensing requirements under the SFA and the minimum licensing admission criteria for persons applying for a Capital Markets Services ["CMS"] licence other than a CMS licence to carry out the regulated activity of fund management. Persons applying for a CMS licence to carry out the regulated activity of fund management should refer to the Guidelines on Licensing, Registration and Conduct of Business for Licensed or Registered Fund Management Companies [SFA 04-G05].

[Amended on 22 March 2006]

[Amended on 26 November 2010]

[Amended on 7 August 2012]

1.3 These Guidelines should be read in conjunction with the provisions of the SFA, the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10) and the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations (Rg 13).

2 WHO NEEDS TO HOLD A CMS LICENCE

2.1 A corporation that carries on a business in any regulated activity in Singapore would need to hold a CMS licence under the SFA. Individuals who are employed by or acting for the corporation to carry out the regulated activity [other than sub-paragraphs (g) and (h) below] are required to be an appointed, provisional or temporary representative under the SFA.

[Amended on 22 March 2006]

[Amended on 26 November 2010]

2.2 The regulated activities are specified in the Second Schedule to the SFA as follows:

- a) Dealing in securities;
- b) Trading in futures contracts;
- c) Leveraged foreign exchange trading;
- d) Advising on corporate finance;
- e) Fund management;
- f) Real estate investment trust management;
- g) Securities financing;
- h) Providing custodial services for securities;
- i) Providing credit rating services.

[Amended on 1 August 2008]
[Amended on 17 January 2012]

2.3 The definitions of the regulated activities are provided in the Second Schedule to the SFA.

3 CRITERIA FOR GRANT OF A CMS LICENCE

General Criteria

3.1 A CMS licence will only be granted to a corporation¹.
[Amended on 1 August 2008]

3.2 The applicant is a reputable entity that has an established track record in the proposed activity to be conducted in Singapore or in a related field, for at least the past 5 years.

3.3 The applicant and its holding company or related corporation, where applicable, has good ranking in its home country.
[Amended on 1 August 2008]

3.4 Where applicable, the applicant is subject to proper supervision by its home regulatory authority.
[Amended on 1 August 2008]

3.5 The applicant satisfies the Monetary Authority of Singapore ["MAS"] that it will discharge its duties efficiently, honestly and fairly.

¹ For applicants that are incorporated in a foreign country, they should satisfy MAS that the branch in Singapore would be subject to proper management oversight and be able to comply with all laws and regulations governing its operations.

3.6 The applicant establishes and operates out of a physical office in Singapore.

[Amended on 22 March 2006]

3.7 The applicant is primarily engaged in the business of conducting any one of the regulated activities specified in the Second Schedule to the SFA.

[Amended on 1 August 2008]

3.8 The applicant, its officers, employees, representatives and substantial shareholders are fit and proper, in accordance with the criteria set out in the Guidelines on Fit and Proper Criteria² issued by MAS.

[Amended on 22 March 2006]

[Amended on 26 November 2010]

Criteria in respect of the Board of Directors, Chief Executive Officer and Representatives of the Applicant

3.9 The board of directors and senior management of the applicant should uphold good corporate governance standards and practices.

[Amended on 14 May 2010]

3.10 The applicant's board of directors should comprise a minimum of 2 members, at least one of whom is resident in Singapore.

[Amended on 1 August 2008]

3.11 The chief executive officer³ of the applicant is resident in Singapore.

[Amended on 1 August 2008]

3.12 The applicant should obtain the approval of MAS prior to appointing a person as its chief executive officer, its director who resides or is to reside in Singapore, or its director who is directly responsible for its business in Singapore.

[Amended on 1 August 2008]

3.13 The applicant should notify MAS when any of its directors who were previously not directly responsible for the business of the applicant

² Guideline No. FSG-G01 issued in September 2007.

³ As defined in section 2(1) of the SFA. The duties of the chief executive officer and directors are spelt out in regulations 13 and 13A of the Securities and Futures (Licensing and Conduct of Business) Regulations. [Amended on 6 March 2014]

in Singapore (or any part thereof) becomes directly responsible for the business of the applicant in Singapore (or any part thereof) or otherwise assuming any form of employment with the applicant or vice versa.

[Amended on 1 August 2008]

3.14 The applicant should inform MAS of any person ceasing to hold office as its chief executive officer or director.

[Amended on 1 August 2008]

3.15 The applicant employs at least 2 full time individuals –

- in respect of each regulated activity for which the corporation is seeking to be licensed to conduct; and
- who are appointed representatives⁴ for the relevant regulated activity as required under the SFA.

[Amended on 22 March 2006]

[Amended on 26 November 2010]

Base Capital Requirements

3.16 The applicant should satisfy the base capital requirements [“BCR”] for its proposed regulated activities, as set out in the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations. The BCR for each regulated activity may also be found in Annex 1.

[Amended on 1 August 2008]

Letter of Responsibility / Letter of Undertaking Requirement

3.17 MAS may, pursuant to section 88 of the SFA, impose a condition requiring the applicant to procure a Letter of Responsibility⁵ or a Letter of Undertaking⁶ (in a form satisfactory to MAS) from its parent company.

⁴ As defined in section 2(1) of the SFA. Such an appointed representative has to satisfy the following minimum entry requirements:

- (a) be at least 21 years old;
- (b) satisfy the minimum academic qualification and examination requirements as prescribed in the Notice on Minimum Entry and Examination Requirements for Representatives of Holders of Capital Markets Services Licence and Exempt Financial Institutions under the SFA (Notice No. SFA 04-N09);
- (c) satisfy the fit and proper criteria set out in the Guidelines on Fit and Proper Criteria issued by the Authority (Guideline No. FSG-G01); and
- (d) any other criteria stipulated by MAS.

⁵ The Letter of Responsibility is a commitment from the applicant's parent company that it will maintain adequate oversight over the applicant's operations, financial position, compliance with laws, management and other relevant issues.

⁶ The Letter of Undertaking sets out the maximum liability of the applicant's parent in support of any liquidity shortfall or other financial obligations.

[Amended on 22 March 2006]

Criteria Specific to Certain Regulated Activities

3.18 An applicant which is applying to carry out the regulated activity of dealing in securities or trading in futures contracts should have minimum group shareholders' funds of S\$200 million and S\$100 million, respectively.

[Amended on 6 March 2008]

3.19 [Deleted on 7 August 2012]

3.20 Where an applicant applies to carry out the regulated activity of advising on corporate finance, MAS may impose a licence condition requiring the applicant to purchase a Professional Indemnity Insurance ["PII"] policy that complies with the requirements set out in Annex 2.

[Amended on 22 March 2006]

[Amended on 7 August 2012]

3.21 An applicant which is applying to carry out the regulated activity of providing credit rating services will have to provide a description of how it will observe the Code of Conduct for Credit Rating Agencies. MAS will also impose a licence condition requiring the applicant to comply with the Code at all times.

[Amended on 17 January 2012]

Additional Licence Conditions for Applicants which do not satisfy all Criteria

3.22 MAS may grant a CMS licence to an applicant which does not satisfy all the requirements set out in paragraphs 3.1 to 3.20 at the time of application, subject to such additional conditions to be imposed pursuant to section 88 of the SFA, such as requiring the applicant to procure a banker's guarantee, PII or Letter of Undertaking.

[Amended on 22 March 2006]

4 [Deleted on 7 August 2012]

5 [Deleted on 7 August 2012]

6 CRITERIA FOR GRANT OF A CMS LICENCE UNDER THE BOUTIQUE CORPORATE FINANCE ADVISOR SCHEME

6.1 A corporation which does not possess the corporate track record as required under paragraphs 3.2 to 3.4, but which meets the other relevant criteria stated in paragraph 3, may apply for a CMS licence to carry out the regulated activity of advising on corporate finance under the Boutique Corporate Finance Advisor [“BCF”] Scheme if it meets the following requirements:

	Requirements
Shareholding	Must be ultimately majority-owned by either Singapore citizens or Singapore permanent residents. Foreign BCFs will be considered on a case-by-case basis.
Management Expertise	<p>At least 3 corporate finance professionals with direct and relevant experience, at least one of whom must be a substantial shareholder. The substantial shareholder must have at least a 10-year acceptable track record in corporate finance advisory work. In addition, the other 2 corporate finance professionals must each have at least 5 years of experience in corporate finance advisory work.</p> <p>If the BCF intends to act as issue manager or sponsor to applicants seeking a listing on the SGX-ST, the substantial shareholder must have advised on at least 5 listings in the last 10 years prior to application, in a managerial or supervisory capacity. In addition, at least one of the other 2 corporate finance professionals must have advised on at least 3 listings in the last 5 years prior to application.</p> <p>The corporate finance professionals must also have acceptable qualifications such as a degree or professional qualification.</p>
Permissible Initial Public Offerings [“IPO”] Business for New	Permitted to act as issue manager, in the first instance, for up to 3 IPOs.

Licensees	To continue to act as an issue manager after the third IPO, the licensee needs to demonstrate to MAS that it has put in place measures to ensure adherence with the applicable rules and regulations, as well as industry best practices. This should be supported by a certification from an independent party who is satisfactory to MAS.
Key Officers ⁷	Must be resident in Singapore, and MAS' prior approval is required for any replacement of Key Officers.
PII	In accordance with the PII requirements set out in Annex 2.

[Amended on 22 March 2006]

7 CRITERIA FOR GRANT OF ADDITIONAL REGULATED ACTIVITY OF DEALING IN SECURITIES FOR CMS LICENSEES UNDER BCF SCHEME

7.1 A BCF may apply to add the regulated activity of dealing in securities to conduct placement and underwriting in relation to IPOs for which it is acting as issue manager, if it has brought at least 3 IPOs to the Singapore market and has obtained a certification from an independent party who is satisfactory to MAS that it has put in place measures to ensure adherence with the applicable rules and regulations, as well as industry best practices.

[Amended on 22 March 2006]

7.2 In addition, the BCF will have to satisfy the following financial and reporting requirements:

- a) Maintain a base capital of at least S\$5 million;
- b) Comply with the requirements under Division 1 of the Securities and Futures (Financial and Margin Requirements for Holders of CMS Licences) Regulations (Rg 13); and
- c) Extend its PII to cover both dealing in securities and advising on corporate finance activities.

[Amended on 22 March 2006]

⁷ Refers to the corporate finance professionals holding the requisite individual track record under the "Management Expertise" requirement.

8 CRITERIA FOR GRANT OF CMS LICENCE FOR THE REGULATED ACTIVITY OF REAL ESTATE INVESTMENT TRUST MANAGEMENT [“REIT”]

8.1 Where an applicant does not meet the requirements in paragraphs 3.2, 3.3 and 3.4, the applicant should:

- a) have at least 5 years of experience in managing property funds⁸;
- b) appoint with the approval of the Trustee of the REIT, an adviser who has at least 5 years of experience in, or 5 years of advising on, real estate; or
- c) employ persons⁹ who have at least 5 years of experience in investing in, or advising on real estate.

[Amended on 1 August 2008]

8.2 The applicant should abide by the Code on Collective Investment Schemes.

[Amended on 1 August 2008]

8.3 The applicant should conduct the following activities, in relation to the management of the REIT, in Singapore:

- a) accounting;
- b) compliance; and
- c) investor relations.

[Amended on 1 August 2008]

8.4 The Singapore operations of the applicant should have a meaningful role in the management of the REIT, relative to any other related entities or branch offices, as the case may be, which may also have responsibility for the management of the REIT. The following factors are relevant but not exhaustive in MAS' assessment of the role of the Singapore operations in the management of the REIT:

- a) the composition and mandates of the applicant's board of directors and management committees; and

⁸ As defined in the Code on Collective Investment Schemes issued by MAS.

⁹ Such persons refer to directors and chief executive officers of the applicant, and may include the applicant's representatives. All directors and chief executive officers of the applicant are expected to have at least 10 years of relevant experience, including 5 years at management level.

- b) the extent to which the chief executive officer and directors who are resident in Singapore participate in the formulation of investment strategies and financing activities of the applicant.

[Amended on 1 August 2008]

8.5 The applicant should abide by the Code of Corporate Governance, where applicable, in respect of listed companies¹⁰.

[Amended on 14 May 2010]

8.6 Where there are possible situations of conflicts of interest, the board and senior management of the applicant should ensure that all necessary steps are taken to avoid conflicts of interest, and should such conflicts arise, ensure that the conflicts are resolved fairly and equitably. The following factors are relevant but not exhaustive to MAS' assessment of conflicts of interest:

- a) the roles of the chief executive officer and executive directors in:
 - i) the applicant; and
 - ii) entities related to the sponsor of the REIT;
- b) the nature of corporate governance arrangements in the applicant, including the role of board committees and chairpersons of these committees;
- c) the roles and responsibilities of independent directors on the board of the applicant; and
- d) the adequacy of proposed mitigating measures to be instituted by the applicant, and the disclosures made of these measures to investors.

The following examples of conflict of interest are relevant but should not be regarded as exhaustive:

- a) an independent director who sits on the board of a sponsor¹¹ should not sit as an independent director on the board of the

¹⁰ Issued on 14 July 2005, as from time to time amended, modified or supplemented. In addition, companies listed on relevant exchanges, for instance, Singapore Exchange Limited, may be required under the relevant Exchange Listing Rules to disclose their corporate governance practices and give explanations for deviations in their annual reports. Applicants who manage REITs listed on the Singapore Exchange Limited are expected to abide by the Code of Corporate Governance.

applicant unless the applicant is satisfied that there are no competing interests between the sponsor and the applicant, for instance, because they do not invest in assets of a similar sector or because they are not located in similar jurisdictions.

- b) an independent director who sits on the board of the applicant should not receive any shares or interests in securities from the -
- i) parent of the applicant;
 - ii) sponsor; or
 - iii) any related corporation of the applicant or the sponsor, as part of the independent director's fees or remuneration.

[Amended on 14 May 2010]

9 CRITERIA FOR GRANT OF CMS LICENCE FOR THE REGULATED ACTIVITY OF PROVIDING CREDIT RATING SERVICES

9.1 The applicant should abide by the Code of Conduct for Credit Rating Agencies.

[Amended on 17 January 2012]

9.2 The applicant should provide a description of its business model, rating methodologies and internal code of conduct.

[Amended on 17 January 2012]

9.3 The applicant should provide a description of how it will observe the Code of Conduct for Credit Rating Agencies and a confirmation that it, its employees and its appointed representatives are and will continue to be in observance of the Code of Conduct for Credit Rating Agencies.

[Amended on 17 January 2012]

9.4 Where the applicant also provides other ancillary services, it should furnish the list of ancillary services provided and an explanation why such services do not give rise to any conflict of interest with the applicant's credit rating business.

[Amended on 17 January 2012]

¹¹ A sponsor in relation to a REIT means the entity that develops the properties or finances the acquisition (either directly or indirectly) of the properties for the REIT.

Annex 1 – Base Capital Requirements (BCR)

Where more than one BCR is applicable, the amount of BCR required shall be the highest of the applicable BCRs.

(A) Dealing in Securities

Regulated Activity	BCR (S\$)
Dealing in securities (clearing member for securities ¹²)	5 million
Dealing in securities (non-clearing member for securities ¹³)	1 million
Dealing in securities (non-member ¹⁴)	1 million
Dealing in securities (introducing broker ¹⁵)	500,000
Dealing in securities (restricted broker ¹⁶)	250,000

¹² Refers to a corporation which is a member of an approved clearing house authorised to operate a clearing facility for securities. [Amended on 6 March 2014]

¹³ Refers to a corporation (not being an introducing broker or restricted broker) which is a member of a securities exchange

¹⁴ Refers to a corporation (not being an introducing broker or restricted broker) which is a not a member of a securities exchange

¹⁵ For the purposes of dealing in securities, refers to a corporation which deals in securities which does not carry any customers' positions, margins or accounts in its own books; and either (i) carries on the business only of soliciting or accepting orders for the purchase or sale of any securities from any customer (not being a restricted broker) or (ii) accepts money or assets from any customer as settlement of, or a margin for, or to guarantee or secure, any contract for the purchase or sale of securities by that customer.

¹⁶ For the purposes of dealing in securities, refers to a corporation which deals in securities which (i) does not carry any customers' positions, margins or accounts in its own books; (ii) deals in securities only with accredited investor(s); and (iii) does not accept money or assets from any customer as settlement of, or a margin for, or to guarantee or secure, any contract for the purchase or sale of securities by that customer.

(B) Trading in Futures Contracts

Regulated Activity	BCR (S\$)
Trading in futures contracts (clearing member ¹⁷)	5 million
Trading in futures contracts (non-clearing member ¹⁸)	1 million
Trading in futures contracts (non-member ¹⁹)	1 million
Trading in futures contracts (introducing brokers ²⁰)	500,000
Trading in futures contracts (restricted broker ²¹)	250,000
Trading in futures contracts (clearing member limited to specified commodity futures contracts ²²)	1 million

¹⁷ Refers to a corporation which is a member of a designated clearing house authorised to operate a clearing facility for futures contracts, where the corporation's membership is not limited to specified commodity futures contracts.

¹⁸ Refers to a corporation (not being an introducing broker or restricted broker in relation to trading in futures contracts) which is a member of a futures exchange.

¹⁹ Refers to a corporation (not being an introducing broker or restricted broker in relation to trading in futures contracts) which is not a member of a futures exchange.

²⁰ For the purposes of trading in futures contracts, refers to a corporation which does not carry any customer's positions in futures contracts, margins or accounts in its own books, and either (i) carries on the business only of soliciting or accepting orders for the purchase or sale of any futures contract from any customer (not being a restricted broker); or (ii) accepts money or assets from any customer as settlement of, or a margin for, or to guarantee or secure, any purchase or sale of futures contract by that customer.

²¹ In relation to trading in futures contracts, refers to a corporation which (i) does not carry any customer's positions in futures contracts, margins or accounts in its own books; (ii) trades in futures contracts only with accredited investors; and (iii) does not accept money or assets from any customer as settlement of, or a margin for, or to guarantee or secure, any purchase or sale of futures contract by that customer.

²² Refers to a corporation which is a member of an approved clearing house authorised to operate a clearing facility for futures contracts, where the corporation's membership is limited to specified commodity futures contracts. The applicant engaged in this regulated activity may be required to maintain and hold its financial resources [as defined in the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations] ["SF(FMR)"] in such manner in Singapore as may be specified by MAS. [Amended on 6 March 2014]

(C) Trading in Commodities Futures Contracts

Regulated Activity	BCR (S\$)
Trading in specified commodity futures contracts only (clearing member ²³)	1 million
Trading in specified commodity futures contracts only (non-clearing member ²⁴)	500,000
Trading in specified commodity futures contracts only (non-member ²⁵)	500,000
Trading in specified commodity futures contracts only (introducing broker ²⁶)	250,000
Trading in specified commodity futures contracts only (restricted broker ²⁷)	250,000

(D) [Deleted on 7 August 2012]

(E) Other Regulated Activities under the SFA²⁸

Regulated Activity	BCR (S\$)
Carrying out real estate investment trust management	1 million
Carrying out leveraged foreign exchange trading	1 million

²³ Refers to a corporation which is a member of a clearing house authorised to operate a clearing facility for futures contracts, where the corporation's membership is limited to specified commodity futures contract. The applicant engaged in this regulated activity may be required to maintain and hold its financial resources [as defined in the SF(FMR)] in such manner in Singapore as may be specified by MAS. [Amended on 6 March 2014]

²⁴ Refers to a corporation (not being an introducing broker or restricted broker in relation to trading in futures contracts) which is a member of a futures exchange.

²⁵ Refers to a corporation (not being an introducing broker or restricted broker in relation to trading in commodity futures contracts) which is not a member of a futures exchange.

²⁶ In relation to trading in specified commodity futures contracts, refers to a corporation which does not carry customers' positions, margins or accounts in its own books; and either (i) carries on the business only of soliciting or accepting orders for the purchase or sale of any specified commodity futures contract from any customer (not being a restricted broker) or (ii) accepts money or assets from any customer as settlement of, or a margin for, or to guarantee or secure, any purchase or sale of specified commodity futures contracts that customer.

²⁷ In relation to trading in specified commodity futures contracts, refers to a corporation which (i) does not carry any customer's positions in specified commodity futures contracts, margins or accounts in its own books; (ii) trades in specified commodity futures contracts only with accredited investors; and (iii) does not accept money or assets from any customer as settlement of, or a margin for, or to guarantee or secure, any purchase or sale of specified commodity futures contract by that customer

²⁸ For fund management, please refer to SFA04-G05.

Carrying out securities financing	1 million
Providing custodial services for securities	1 million
Advising on corporate finance	250,000
Providing credit rating services	250,000

[Amended on 1 August 2008]
[Amended on 17 January 2012]

Annex 2 – Minimum PII Requirements

Table A2-1 – Minimum PII Quantum

Category	Revenue from advising on Corporate Finance	Min PII Amount
Advising on Corporate Finance (including BCF)	< S\$10m	S\$2.5m
	S\$10m to less than S\$20m	S\$5m
	S\$20m to less than S\$30m	S\$7.5m
	S\$30m to less than S\$40m	S\$10m
	S\$40m to less than S\$50m	S\$12.5m
	S\$50m to less than S\$60m	S\$15m
	S\$60m to less than S\$70m	S\$17.5m
	S\$70m to less than S\$80m	S\$20m
	S\$80m to less than S\$100m	S\$22.5m
	S\$100m and above	S\$25m

Category	PII Amount
Dealing in securities and Trading in futures contracts	<p><u>Member firms</u> 50% of revenue from dealing in securities or trading in futures contracts, subject to a cap of S\$25m.</p> <p><u>Non-member firms</u> 50% of revenue from dealing in securities or trading in futures contracts, subject to a cap of S\$10m.</p>

[Amended on 15 June 2016]

Table A2-2 – Minimum PII Quantum

Feature	Coverage
Persons covered	The licensee and all of its representatives.

Feature	Coverage
<p>Areas to be covered</p>	<p>Baseline:</p> <ul style="list-style-type: none"> (i) Breach of professional duty by FI or its representatives. (ii) Infidelity or dishonesty of the licensee, its employees, agents or contractors. (iii) Loss of documents evidencing title of assets belonging to customers. <p>This list represents the minimum standards, and is not exhaustive. The licensee should also undertake its own analysis and obtain adequate PII coverage that is commensurate with the nature, scale and complexity of its business.</p> <p>The minimum amount applicable to a licensee, as set out in Table A2-1, should apply to each of the baseline items (i), (ii) and (iii) under the PII policy.</p> <p>Where a claim is awarded under a formal legal proceeding, the minimum limit of indemnity available for the settlement of claims to customers should be as set out in table A2-1. For instance, licensees may either obtain a PII policy where legal costs are paid in addition to the minimum limit of indemnity or by sufficiently increasing the level of cover to take legal costs into account.</p>

[Amended on 15 June 2016]

1 The amount of PII deductible should not exceed 20% of the applicant's base capital.

[Amended on 22 March 2006]

2 If an applicant carries out both the regulated activities of fund management and advising on corporate finance, the minimum PII coverage is cumulative.

[Amended on 22 March 2006]

3 MAS may consider a Letter of Undertaking, (in a form satisfactory to MAS) in lieu of a PII and a Letter of Responsibility, to be procured from the parent company if the parent company is of satisfactory financial standing.

[Amended on 22 March 2006]

4 The liability under the Letter of Undertaking referred to in paragraph 3 should be at least that required of the PII as stated in paragraph 1.

[Amended on 15 June 2016]

5 MAS may also consider the following alternative forms of PII, as long as the applicant has assessed that such a PII does not undermine the interest of investors, subject to the fulfilment of conditions specified for each type of PII:

Type of PII	Conditions to be Satisfied
Group PII	<ul style="list-style-type: none"> • Minimum coverage has to be at least 5 times the required quantum under a standalone non-hybrid PII. • If the deductible of the Group PII is greater than 20% of the applicant's base capital, an undertaking from the applicant's parent company to cover the excess in the event of a claim would be required.
Hybrid PII ²⁹	<ul style="list-style-type: none"> • Sub-limits have to be set for the non-PII sections of the hybrid PII. • Total coverage under the hybrid PII less the sub-limits for the non-PII sections has to be at least equivalent to the required quantum under a standalone non-hybrid PII.
Group Hybrid PII	<ul style="list-style-type: none"> • Sub-limits have to be set for the non-PII sections of the Group hybrid PII. • Total coverage of the Group hybrid PII less the sub-limits for the non-PII sections has to be at least 5 times the required quantum under a standalone non-hybrid PII. • If the deductible of the Group hybrid PII is greater than 20% of the applicant's base

²⁹ A hybrid PII is a PII policy which offers coverage on PII as well as other risks, such as crime and directors and officers' liability.

	capital, an undertaking from the applicant's parent company to cover the excess in the event of a claim would be required.
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[Amended on 24 August 2010]