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Notification No. B 15 — The Financial Advisers (Amendment) Bill is hereby published for general information. It was introduced in Parliament on 11th May 2015.

Financial Advisers (Amendment) Bill

Bill No. 15/2015.

Read the first time on 11 May 2015.

A BILL

i n t i t u l e d

An Act to amend the Financial Advisers Act (Chapter 110 of the 2007 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Financial Advisers (Amendment) Act 2015 and comes into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

5 Amendment of long title

2. The long title to the Financial Advisers Act (referred to in this Act as the principal Act) is amended by inserting, immediately after the word “representatives”, the words “and supervisors”.

Amendment of section 2

10 3. Section 2(1) of the principal Act is amended —

(a) by inserting, immediately after the definition of “futures exchange”, the following definition:

15 ““independent sales audit unit”, in relation to a licensed financial adviser, means a unit of the licensed financial adviser which —

(a) audits the quality of the provision of financial advisory services by representatives of the licensed financial adviser; and

20 (b) is independent from all units of the licensed financial adviser which provide financial advisory services;”;

(b) by inserting, immediately after the definition of “substantial shareholder”, the following definition:

25 ““supervisor”, in relation to a financial adviser, means any person (by whatever name described) who —

(a) is in the direct employment of, is acting for, or has an arrangement with the financial adviser; and

30 (b) is responsible, whether directly or indirectly, for the supervision or

management of the conduct and performance of any representative of the financial adviser or another supervisor;”; and

- (c) by inserting, immediately after the definition of “trading in futures contracts”, the following definition:

“ “unit” means a group of individuals carrying out a common activity of a licensed financial adviser, each of whom is directly employed by, is acting for, or has an arrangement with the licensed financial adviser;”.

Amendment of section 9

4. Section 9 of the principal Act is amended —

- (a) by deleting paragraph (b) of subsection (1) and substituting the following paragraph:

“(b) the applicant is unable to meet the financial requirements prescribed under section 104 or specified by the Authority by written notice to the applicant;”;

- (b) by inserting, immediately after the word “prescribed” in subsection (1)(c), the words “under section 104 or specified by the Authority by written notice to the applicant”; and

- (c) by inserting, immediately after subsection (4), the following subsection:

“(5) A written notice issued under this section need not be published in the *Gazette*.”.

Amendment of section 10

5. Section 10 of the principal Act is amended —

- (a) by deleting paragraph (a) of subsection (1) and substituting the following paragraph:

“(a) comply, at all times during the currency of its licence, with such financial requirements as may

be prescribed or specified under section 9(1);
and”;

(b) by inserting, immediately after the words “as may be prescribed” in subsection (1)(b), the words “or specified”;

5 (c) by deleting the words “minimum financial requirements or such other requirements as may be prescribed” in subsection (2)(b)(i) and (iii) and substituting in each case the words “financial requirements prescribed or specified”;

10 (d) by inserting, immediately after the words “in force a professional indemnity insurance policy,” in subsection (2)(b)(ii), the words “the cover of which is consistent with the limit and deductible requirements prescribed or specified under section 9(1)(c),”; and

15 (e) by deleting the words “maintain minimum” in the section heading and substituting the words “comply with”.

New section 22A

6. The principal Act is amended by inserting, immediately after section 22, the following section:

“Regulation of payment, etc., of remuneration

20 **22A.**—(1) A licensed financial adviser or an exempt financial adviser, or a representative or supervisor of a licensed financial adviser or an exempt financial adviser must not request or demand payment of, or accept any remuneration, in relation to —

25 (a) the provision of any financial advisory service in connection with any type of investment product; or

(b) the sale of any type of investment product following the provision of any financial advisory service,

except in accordance with regulations made under section 104 or a written notice issued by the Authority.

30 (2) A licensed financial adviser or an exempt financial adviser must not pay another licensed financial adviser or exempt financial adviser, or a representative or supervisor of the firstmentioned licensed financial adviser or exempt financial