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**FINANCIAL ADVISERS ACT
(CHAPTER 110)**

**FINANCIAL ADVISERS
(AMENDMENT NO. 3)
REGULATIONS 2019**

In exercise of the powers conferred by sections 100(1) and 104(1) of the Financial Advisers Act, the Monetary Authority of Singapore makes the following Regulations:

Citation and commencement

1.—(1) These Regulations are the Financial Advisers (Amendment No. 3) Regulations 2019 and, except for regulation 5(c), are deemed to have come into operation on 8 October 2018.

(2) Regulation 5(c) is deemed to have come into operation on 8 January 2019.

Amendment of regulation 2

2. Regulation 2(1) of the Financial Advisers Regulations (Rg 2) (called in these Regulations the principal Regulations) is amended —

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

““ex-accredited investor” means any of the following:

(a) an individual who was an accredited investor under section 4A(1)(a)(i) of the Securities and Futures Act (Cap. 289) as in force immediately before 8 October 2018, but who ceases to be an accredited investor under section 4A(1)(a)(i), read with

section 4A(1A), of that Act as in force on or after 8 October 2018;

(b) a partnership (other than a limited liability partnership within the meaning of the Limited Liability Partnerships Act (Cap. 163A)) in which each partner was an accredited investor under section 4A(1)(a) of the Securities and Futures Act as in force immediately before 8 October 2018, but any individual partner of which ceases to be an accredited investor under section 4A(1)(a)(i), read with section 4A(1A), of that Act as in force on or after 8 October 2018;

(c) a corporation (the sole business of which is to hold investments) the entire share capital of which is owned by one or more accredited investors under section 4A(1)(a) of the Securities and Futures Act as in force immediately before 8 October 2018, but any individual of such accredited investors ceases to be an accredited investor under section 4A(1)(a)(i), read with section 4A(1A), of that Act as in force on or after 8 October 2018;”;
and

(b) by inserting, immediately after the definition of “exchange-traded derivatives contract”, the following definition:

““existing customer”, in relation to a person (A),
means —

- (a) a person (*B*) to whom *A* has provided any financial advisory service before 8 October 2018, and who was treated by *A* as an accredited investor when *A* provided that financial advisory service to *B*; or
- (b) a person (*C*) with whom *A* has entered into an agreement before 8 October 2018 to provide any financial advisory service, and who was treated as an accredited investor when *A* entered into the agreement with *C*.”.

Amendment of regulation 4A

3. Regulation 4A of the principal Regulations is amended by deleting paragraph (6) and substituting the following paragraph:

“(6) In paragraph (4)(c), (d) and (e), the reference to “client or member of the public” excludes any of the following:

- (a) an accredited investor;
- (b) an expert investor;
- (c) an institutional investor;
- (d) an ex-accredited investor who is an existing customer of the principal, but only in respect of the representative’s provision of any financial advisory service in the period from 8 October 2018 to 7 April 2019 (both dates inclusive).”.

Amendment of regulation 18B

4. Regulation 18B(9) of the principal Regulations is amended by deleting the definition of “targeted client” and substituting the following definition:

““targeted client”, in relation to a financial adviser who intends to sell or market a new product, means any client to whom the financial adviser intends to sell or market

the new product, other than a client that is any of the following:

- (a) an accredited investor;
- (b) an expert investor;
- (c) an institutional investor;
- (d) an ex-accredited investor who is an existing customer of the financial adviser, but only in respect of the financial adviser's intention to sell or market the new product in the period from 8 October 2018 to 7 April 2019 (both dates inclusive)."

Amendment of regulation 27

5. Regulation 27 of the principal Regulations is amended —

- (a) by inserting, immediately after paragraph (1), the following paragraphs:

“(1A) For the purposes of paragraph (1)(d), where a person acts as a financial adviser in giving advice in Singapore in the manner specified in that paragraph in the period from 8 October 2018 to 7 April 2019 (both dates inclusive) to an ex-accredited investor who is the person's existing customer, that ex-accredited investor is treated as an accredited investor.

(1B) For the purposes of paragraph (1)(g), where a person carries on business of advising any ex-accredited investor who is an existing customer of the person in the manner mentioned in that paragraph and in the period from 8 October 2018 to 7 April 2019 (both dates inclusive), the person is treated as carrying on the business of advising accredited investors in that manner.”;

- (b) by deleting the definition of “qualified investor” in paragraph (8) and substituting the following definition:

““qualified investor” has the same meaning as in paragraph 1 of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Cap. 289, Rg 10) except that any reference in that paragraph to “accredited investor”, in relation to any transaction, is read to include a person who is treated as an “accredited investor” under paragraph (a), (b), (c), (d) or (e) of regulation 4(1) or (2) of the Securities and Futures (Amendment) Act 2017 (Saving and Transitional Provisions for Classes of Investors) Regulations 2018 (G.N. No. S 662/2018), in respect of a transaction mentioned in that paragraph;” and

- (c) by deleting the definition of “qualified investor” in paragraph (8) and substituting the following definition:

““qualified investor” has the same meaning as in paragraph 1 of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Cap. 289, Rg 10) except that any reference in that paragraph to “accredited investor”, in relation to any transaction, is read to include —

- (a) a person who is treated as an “accredited investor” under paragraph (a), (b), (c), (d) or (e) of regulation 4(1) or (2) of the Securities and Futures (Amendment) Act 2017 (Saving and Transitional Provisions for Classes of Investors) Regulations 2018 (G.N. No. S 662/2018), in respect of a transaction mentioned in that paragraph; and