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**No. S 815**

**FINANCIAL ADVISERS ACT  
(CHAPTER 110)**

**FINANCIAL ADVISERS (AMENDMENT NO. 3)  
REGULATIONS 2015**

In exercise of the powers conferred by section 104 of the Financial Advisers Act, the Monetary Authority of Singapore makes the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Financial Advisers (Amendment No. 3) Regulations 2015 and come into operation on 1 January 2016.

**New regulation 34A**

2. The Financial Advisers Regulations (Rg 2) are amended by inserting, immediately after regulation 34, the following regulation:

**“Non-application of sections 38 and 39 of Act for certain persons**

**34A.**—(1) Sections 38 and 39 of the Act do not apply to the following:

- (a) any bank in Singapore or any merchant bank which is exempt under the Financial Advisers (Exemption from Sections 25 to 29 and 36) Regulations (Rg 6) in respect of the provision of any financial advisory service relating to an existing product or a new product within the meaning of those Regulations, in relation to its business of providing such service;
- (b) a bank or merchant bank which is exempt from holding a financial adviser’s licence under section 23(1)(a) or (b) of the Act in relation to its business involving an activity for which it is exempt under regulation 27A from complying with section 23(4) of the Act;

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- (c) a licensed financial adviser or an exempt financial adviser who solely advises others by issuing or promulgating research analyses or research reports, whether in electronic, print or other form, concerning any investment product;
  - (d) a licensed financial adviser or an exempt financial adviser, in relation to —
    - (i) its business of providing any financial advisory service to a client who is an accredited investor, an expert investor or an institutional investor or which is not a natural person;
    - (ii) its business of providing any financial advisory service through a department, division, section or unit within the financial adviser, for which the department, division, section or unit within the financial adviser has been exempted under section 100(2) of the Act from having to comply with —
      - (A) sections 25, 27, 28 and 36 of the Act; and
      - (B) the relevant written directions;
    - (iii) its business of making recommendations with respect to life policies which are sold as an ancillary product to loans with a simple payment basis for the insurance cover (including policies that cover outstanding loans such as personal loans, car loans and credit card balances, but excluding mortgage reducing term assurance plans);
    - (iv) its business of making recommendations with respect to selling or purchasing group life policies;
    - (v) its business of providing execution-related advice as a dealer;
    - (vi) its business of providing any financial advisory service where —
      - (A) only factual information is provided to a client with respect to any investment product (including the marketing of any designated investment product through the use of direct response, advertising, or communications through any medium); and

- (B) no advice or recommendation is provided by the licensed financial adviser, exempt financial adviser or their representatives, to such client with respect to such investment product;
  - (vii) its business involving an activity for which the licensed financial adviser or exempt financial adviser is exempt under regulation 31, 32B, 34 or 36 from complying with section 27 of the Act; or
  - (viii) its business involving an activity to which section 27 of the Act does not apply to a licensed financial adviser or an exempt financial adviser by virtue of regulation 18A.
- (2) In this regulation —
- “collective investment scheme” has the same meaning as in section 2(1) of the Securities and Futures Act (Cap. 289);
  - “dealer” means a person exempt from holding a financial adviser’s licence under section 23(1)(a), (b) or (d) of the Act and who carries on a business of providing execution-related advice;
  - “designated investment product” has the same meaning as in section 25(6) of the Act;
  - “execution activities” means either or both of the following activities as defined in Part II of the Second Schedule to the Securities and Futures Act:
    - (a) dealing in securities (other than units in collective investment schemes) that are listed for quotation or quoted on a securities exchange, overseas securities exchange or recognised market operator;
    - (b) trading in futures contracts;
  - “execution-related advice” means advice provided which is solely incidental to the execution activities of a dealer with no discrete fee charged by the dealer for the advice rendered;
  - “group life policy” means a life policy in respect of which —
    - (a) the policy owner is not an individual; and
    - (b) there are 2 or more insured persons;

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

“policy owner” has the same meaning as in the First Schedule to the Insurance Act (Cap. 142);

“relevant written directions” means the following written directions issued by the Authority under section 58 of the Act:

- (a) Notice on Recommendations on Investment Products (Notice No. FAA-N16);
- (b) Notice on Appointment and Use of Introducers by Financial Advisers (Notice No. FAA-N02);
- (c) Notice on Information to Clients and Product Information Disclosure (Notice No. FAA-N03);
- (d) Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers (Notice No. FAA-N13).”.

## **New Part VIA**

**3.** The Financial Advisers Regulations are amended by inserting, immediately after regulation 40B, the following Part:

### **“PART VIA**

#### **PRESCRIBED NON-FINANCIAL ADVISORY SERVICES**

##### **Definitions of this Part**

**40C.** In this Part —

“associate”, in relation to a licensed international market agent or an applicant for an international market agent licence, has the same meaning as in regulation 2(2) of the Casino Control (Casino Marketing Arrangements) Regulations 2013 (G.N. No. S 65/2013);

“client” includes prospective client;

“estate agent” has the same meaning as in section 3(1) of the Estate Agents Act (Cap. 95A);

“exempt financial adviser” means a person who is exempted from holding a financial adviser’s licence under section 23(1)(a), (b), (c), (d) or (e) of the Act;

“international market agent” and “international market agent licence” have the same meanings as in section 2(1) of the Casino Control Act (Cap. 33A);

“investment” means any tangible or intangible asset that is acquired or held by a person with the expectation of financial return or benefit in future;

“licensed estate agent” has the same meaning as in section 3(1) of the Estate Agents Act;

“non-financial advisory service” means a service other than a financial advisory service;

“referral activity” means —

(a) referring a client to a relevant person (referred to in regulation 40D(2)) for the provision of any non-financial advisory service or any product in relation to such service; or

(b) the activity referred to in paragraph (a) and either or both of the following:

(i) recording the particulars of a client and forwarding such particulars to a relevant person with the client’s consent;

(ii) providing factual information to a client on any product or service in relation to any non-financial advisory service provided by the relevant person, including (where applicable) information on —

(A) the name of the product or service;

(B) the product or service provider; or

(C) any fee or charge which may be imposed,

and “refer” and “referrals” are to be construed accordingly;

“revenue” means fees, brokerage, commissions and income earned in the ordinary course of business of the licensed financial adviser;

“salesperson” has the same meaning as in section 3(1) of the Estate Agents Act.