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**FINANCIAL ADVISERS ACT
(CHAPTER 110)**

**FINANCIAL ADVISERS (AMENDMENT)
REGULATIONS 2015**

In exercise of the powers conferred by sections 100(1) and 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) Regulations 2015 and come into operation on 31 March 2015.

New regulations 38 to 40B

2. The Financial Advisers Regulations (Rg 2) are amended by inserting, immediately after regulation 37 in Part VI, the following regulations:

**“Exemption of licensed financial advisers for distribution
of direct purchase insurance products**

38.—(1) Subject to the conditions in paragraph (2), a licensed financial adviser which distributes direct purchase insurance products on behalf of one or more direct life insurers, is exempt from —

- (a) sections 25 and 27 of the Act in respect of the provision of any specified financial advisory service by the licensed financial adviser that is solely incidental to the distribution of the direct purchase insurance products; and

- (b) section 23B(3) of the Act in respect of the distribution of the direct purchase insurance products by any of the licensed financial adviser's customer service officers.

(2) For the purposes of paragraph (1), the conditions are —

- (a) other than by any specified advertisement, the licensed financial adviser must not, whether through a customer service officer, representative or otherwise, and whether in Singapore or elsewhere —

- (i) offer to sell to the public in Singapore or any section of the public in Singapore;
- (ii) invite the public in Singapore or any section of the public in Singapore to purchase; or
- (iii) solicit from the public in Singapore or any section of the public in Singapore offers to purchase,

any direct purchase insurance product;

- (b) other than by any specified advertisement, the licensed financial adviser must not, whether through a customer service officer, representative or otherwise, and whether in Singapore or elsewhere —

- (i) offer to sell to a member of the public in Singapore;
- (ii) invite any such member to purchase; or
- (iii) solicit from any such member an offer to purchase,

any direct purchase insurance product, unless the member of the public has first requested for information on any life policy;

- (c) the licensed financial adviser must not, whether through a customer service officer, representative or otherwise, omit to disclose any matter that is material to any statement or representation made in relation to any direct purchase insurance product to any client; and

(d) the licensed financial adviser must establish and maintain a register containing the following details of each appointed or provisional representative who distributes the direct purchase insurance products on behalf of the licensed financial adviser under paragraph (1)(a) and each customer service officer referred to in paragraph (1)(b):

- (i) name;
- (ii) identity card number or passport number;
- (iii) contact number;
- (iv) the places of business of the licensed financial adviser at which the appointed or provisional representative or customer service officer distributes the direct purchase insurance products;
- (v) the date on which the appointed or provisional representative or customer service officer commences distributing the direct purchase insurance products;
- (vi) the date on which the appointed or provisional representative or customer service officer ceases distributing the direct purchase insurance products, where applicable.

Exemption of specified financial advisers for distribution of direct purchase insurance products

39.—(1) Subject to the conditions in paragraph (2), a specified financial adviser is exempt from —

- (a) sections 25 and 27 of the Act (as they apply to a specified financial adviser by reason of section 23(4) of the Act) in respect of the provision of any specified financial advisory service that is solely incidental to the distribution of direct purchase insurance products on the specified financial adviser's own behalf or on behalf

of one or more direct life insurers, as the case may be;
and

- (b) section 23B(3) of the Act in respect of the distribution of direct purchase insurance products by any of the specified financial adviser's customer service officers on the specified financial adviser's own behalf or on behalf of one or more direct life insurers, as the case may be.

(2) The conditions referred to in paragraph (1) are the same conditions specified in regulation 38(2), with each reference in that provision to a licensed financial adviser replaced with a reference to a specified financial adviser.

Exemption of appointed or provisional representative of exempt adviser for distribution of direct purchase insurance products

40.—(1) Subject to the conditions in paragraph (2), when a financial adviser is exempt from sections 25 and 27 of the Act in respect of the provision of any specified financial advisory service that is solely incidental to the distribution of direct purchase insurance products, its appointed or provisional representative is also exempt from sections 25 and 27 of the Act (as they apply to an appointed or provisional representative by reason of section 37 of the Act) in respect of the provision of that service on behalf of the financial adviser.

(2) The conditions referred to in paragraph (1) are that the appointed or provisional representative comply with the conditions specified in regulation 38(2)(a), (b) and (c), as modified in the following manner:

- (a) each reference in regulation 38(2)(a), (b) and (c) to a licensed financial adviser is replaced with a reference to the appointed or provisional representative;
- (b) each reference in regulation 38(2)(a) and (b) to “whether through a customer service officer, representative or otherwise, and” is deleted;

- (c) the reference in regulation 38(2)(c) to “, whether through a customer service officer, representative or otherwise,” is deleted.

Exemption of customer service officers of exempt adviser for distribution of direct purchase insurance products

40A.—(1) Subject to the conditions in paragraph (2), when a financial adviser is exempt from sections 25 and 27 of the Act in respect of the provision of any specified financial advisory service that is solely incidental to the distribution of direct purchase insurance products, its customer service officer is also exempt from section 23B(1) of the Act in respect of the provision of that service on behalf of the financial adviser.

(2) The conditions referred to in paragraph (1) are that the customer service officer, in relation to the distribution of the direct purchase insurance products by the customer service officer —

- (a) complies with sections 23G(1) (read with section 23G(2) and (3) of the Act), 26(1) (read with section 26(2) of the Act) and (1A), 33(1) (read with section 33(2) and (3) of the Act) and 34(1) and (2) of the Act, as modified in the following manner:
 - (i) every reference in sections 26(1) and (1A), 33(1) and 34(1) and (2) of the Act to a licensed financial adviser is replaced with a reference to the customer service officer;
 - (ii) every reference in section 23G(1) and (2) of the Act to an appointed or provisional representative is replaced with a reference to the customer service officer;
- (b) furnishes to the Authority any information about the distribution of the direct purchase insurance product as the Authority may require; and