

**SECURITIES AND FUTURES
(OFFERS OF INVESTMENTS) (BUSINESS TRUSTS) (NO. 2)
(AMENDMENT NO. X) REGULATIONS 2013**

DISCLAIMER: This version of the Regulations is in draft form and subject to change. It is also subject to review by the Attorney-General's Chambers.

No. S 000 –

**SECURITIES AND FUTURES ACT
(CHAPTER 289)**

**SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
(BUSINESS TRUSTS) (NO. 2) (AMENDMENT NO. X)
REGULATIONS 2013**

In exercise of the powers conferred by sections 282L(8) and 341 of the Securities and Futures Act, the Monetary Authority of Singapore hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) (Amendment No. X) Regulations 2013 and shall come into operation on [● 2013].

Insertion of new regulation 14A

2. The Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 (referred to in these Regulations as the principal Regulations) is amended by inserting, immediately after regulation 14, the following regulation:

“Advertisements shall be fair and balanced

14A.—(1) An advertisement or publication referred to in section 282L(8) of the Act shall –

- (a) give a fair and balanced view of the nature, material benefits and material risks of the units or derivatives of units in a business trust being offered; and
- (b) present information in a clear manner.

(2) For the purposes of paragraph (1)(a), an advertisement or publication shall be considered as giving a fair and balanced view of the units or derivatives of units in a business trust being offered if –

- (a) it gives –
 - (i) a balanced description of the risks and potential returns of the units or derivatives of units in the business trust ; and

- (ii) a proportionate level of prominence to the warnings, disclaimers and qualifications in relation to the claims on potential returns to which they refer to; and
- (b) it does not –
 - (i) give the impression that an investor can profit without risk;
 - (ii) contain words or graphics that could convey an impression that is inaccurate or inconsistent with the nature or the risks of the units or derivatives of units in the business trust;
 - (iii) omit any material information if the omission would cause the advertisement to be misleading; or
 - (iv) present information in footnotes in a way that would alter the meaning of the main text of the advertisement or publication or cause difficulty to an investor in understanding the units or derivatives of units in the business trust.

(3) For the purposes of paragraph (1)(b), an advertisement or publication shall be considered as presenting information in a clear manner if –

- (a) it presents information in plain language and in a manner that is easily understood by investors; and
- (b) it limits the use of jargon or technical terms and, where such terms are used, explains such terms in a way that is easy for investors to understand.

(4) An advertisement or publication shall not -

- (a) suggest that –
 - (i) the units or derivatives of units in the business trust offered are, or are comparable to, a deposit; or
 - (ii) there is no or little risk of the investor losing his principal amount or not achieving the stated or targeted rate of returns; or

- (b) contain information that is outdated unless it is specified in the advertisement or publication that the information presented is historical information.

(5) Where the units or derivatives of units in a business trust are structured with the objective of returning the full principal amount to investors at maturity, an advertisement or publication in relation to the units or derivatives of units in a business trust shall clearly highlight that while the objective is to return the full principal amount to investors at maturity, the units or derivatives of units in the business trust do not unconditionally guarantee the return of the full principal amount at maturity.

(6) An advertisement or publication shall include a statement that the advertisement or publication has not been reviewed or endorsed by the Authority.

(7) Any person who issues an advertisement or publication in respect of an offer or intended offer shall ensure that the advertisement or publication is approved by its senior management, prior to the publication or dissemination of the advertisement or publication.

(8) In this regulation –

“bank” means a bank in Singapore or a merchant bank;

“bank in Singapore” has the same meaning as in section 2(1) of the Banking Act (Cap. 19);

“deposit” means –

- (a) a deposit as defined in section 4B of the Banking Act (Cap. 19), in a case where the deposit is accepted by a bank; or
- (b) a deposit as defined in section 2 of the Finance Companies Act (Cap. 108), in a case where the deposit is accepted by a finance company as defined in that section of that Act;

“merchant bank” means a merchant bank approved under section 28 of the Monetary Authority of Singapore Act (Cap. 186);

“senior management” –

- (a) in the case where the person issuing the advertisement or publication is a corporation, means any person holding the office of chief executive officer or executive director, or equivalent in the corporation;
- (b) in the case where the person issuing the advertisement or publication is an individual, means any person holding the office of chief executive officer or executive director, or equivalent, in the corporation which the first-mentioned person is issuing the advertisement or publication on behalf of as employee or agent.”.

Amendment of regulation 15

3. Regulation 15 of the principal Regulations is amended by –

- (a) inserting, immediately after regulation 15(1), the following paragraphs:

“(1A) Information in an advertisement or publication appearing in any medium of communication, excluding television advertisements or publications but including newspapers, periodicals, magazines or letters, electronic mails or websites, shall be presented in a minimum font size of 10-point Times New Roman.

(1B) Where any information in an advertisement or publication is presented in a footnote, the footnote font size shall be at least half the font size of the word or statement to which it relates, subject to an overall minimum font size of 10-point Times New Roman.” ;
- (b) deleting and substituting “either or both of paragraphs (1) and (2)” in paragraph (3), with “any or all of paragraphs (1), (1A), (1B) and (2)”;
- (c) deleting and substituting “either or both of paragraphs (1) and (2)” in paragraph (4), with “any or all of paragraphs (1), (1A), (1B) and (2)”.

Made this day of 2013.

RAVI MENON
Managing Director,
Monetary Authority of Singapore.