

PROGRAMME PROSPECTUS

MANAGING AND DISTRIBUTING INVESTMENT FUNDS IN SINGAPORE

1. ABOUT THIS PROGRAMME

There are 7 courses in this programme:

- An Introduction
- Capital Markets Services Licensing Business Conduct Requirements
- Fund Management and REIT Management Business Conduct Requirements
- Dealing Business Conduct Requirements
- Code on Collective Investment Schemes
- Offering Rules
- CPF Investment Scheme

Each course can be taken on a stand-alone basis.

This programme will give you an overall understanding of the fund management and distribution landscape in Singapore. It is designed for use as a reference tool by fund managers and fund distributors. More details can be found in the Programme Outline below.

2. PROGRAMME OUTLINE

Learning objectives and outcomes	Summary
<u>An Introduction</u>	
At the end of the course, you should understand: • what are investment funds; • the different ways in which they can be classified; • the differences between a securities fund and a property fund; • the different ways in which investment funds can be set up in Singapore; • what is a collective investment scheme; • when you need to be licensed or registered under the SFA for fund management or REIT management;	1. Investment funds a) What is an investment fund? b) Classification of funds • Organisational criteria ○ Open-end vs closed-end fund ○ Master/feeder fund ○ Fund of funds ○ Stand-alone vs umbrella fund ○ Multi-class fund • Investment policy • Listed or unlisted • Legal form or structure • Regulatory regime

• when you need to be licensed or registered under the SFA for fund distribution; and • who are retail and non-retail customers and why it matters.	2. Securities funds • A typical structure • Pricing • Fees and charges 3. Property funds • What is a property fund? • A typical structure • Fees payable by the REIT 4. Singapore overview a) Singapore legal forms • Unit trusts • VCCs • Limited partnerships • Business trusts • REITs b) Singapore regulatory regime • Is it a CIS? ○ What is the 3-pronged test? ○ Is it a covered closed-end fund? • Do you need to be licensed or registered as a fund manager or REIT manager? ○ What does carrying on the business of fund management or REIT management mean? • What do you need to think about when distributing a CIS? ○ What does carrying on the business of dealing in CISs mean? ○ Exemptions and exclusions c) Classification of customers • Retail and non-retail customers • Expert investors • Accredited investors ○ Individuals ○ Corporations ○ Other entities ○ Trustees ○ Partnerships ○ Joint accounts
--	---

	○ Opt-in ○ HNWIs • Institutional investors 5. Points to note
<u>Capital Markets Services Licensing Business Conduct Requirements</u>	
At the end of the course, you should understand: • the BCR that you need to comply with if you hold a CMS licence; and • which of the BCR applies to you if you are a bank or merchant bank that is registered under the SFA.	1. Licensing BCR • Admission criteria for CMS licence holders (other than for fund management or REIT management) ○ Activities ○ “Fit and proper” criteria and personnel ○ Legal structure and office • Regulation 13 SF(LCB)R duties • Custody ○ Requirements relating to customers’ moneys ❖ Due diligence on the account bank ❖ Acknowledgement from the account bank ❖ Deadline for depositing customers’ moneys ❖ Withdrawals from the trust account ❖ Passing on customers’ moneys ❖ Depositing its own moneys ❖ Investments ❖ Interest and returns ❖ Risk disclosure to retail customers ❖ Computation requirements ○ Requirements relating to customers’ assets ❖ Due diligence on the custodian ❖ Acknowledgement from a local custodian ❖ Deadline for depositing customers’ assets ❖ Withdrawals from the custody account ❖ Passing on customers’ assets ❖ Lending of customers’ specified products ❖ Mortgage of customers’ assets ❖ Customer agreement vs custody agreement ❖ Risk disclosure to retail customers ❖ Computation requirements

	• Books and records • Statements of account • Approval of CEO and directors • Reporting to MAS • AML/CFT requirements • Individual accountability and conduct • Outsourcing • Technology risk management • Register of interests • Specified products borrowing and lending • Product advertisements 2. Points to note
<u>Fund Management and REIT Management Business Conduct Requirements</u>	
At the end of the course, you should understand: • the additional BCR that you need to comply with if your CMS licence is for fund management and you are a Retail LFMC; • the additional BCR that you need to comply with if your CMS licence is for REIT management; and • which of the fund management BCR applies to you if you are a bank or merchant bank that is registered under the SFA for fund management.	1. Fund management BCR • Fund management admission criteria ○ Activities ○ “Fit and proper” criteria and personnel ○ Legal structure and office ○ Professional indemnity insurance • Regulation 13B SF(LCB)R duties • Disclosures • Fund termination • “Free look” • Reporting to MAS • Best execution • Environmental risk management 2. REIT management BCR • REIT management admission criteria ○ Activities ○ “Fit and proper” criteria and personnel ○ Legal structure and office ○ Professional indemnity insurance • Corporate governance ○ Prioritising the interests of REIT unitholders ○ Code of Corporate Governance

	○ Board of Directors of REIT manager ❖ Board Chairman ❖ Independent directors ❖ Board Committees ❖ Conduct of Board meetings • Remuneration of directors and executive officers • Reporting to MAS • Best execution • Environmental risk management 3. Points to note
<u>Dealing Business Conduct Requirements</u>	
At the end of the course, you should understand: • the additional BCR that you need to comply with if your CMS licence is for dealing; and • which of the additional BCR applies to you if you are a bank or merchant bank that is registered under the SFA for dealing.	1. Dealing BCR • Trading standards • Priority of customers' orders • Dealing as principal • General risk disclosure requirements • Contract notes • "Free look" • SFA Sale Notice ○ When does the SFA Sale Notice apply? ❖ What is a specified investment product? ○ What are the requirements under the SFA Sale Notice? ❖ Product classification ❖ Customer due diligence and safeguards □ What does the dealer need to do if an individual retail customer wishes to purchase an unlisted SIP? ➤ If CKA is positive ➤ If CKA is negative ➤ Joint accounts ➤ Can the dealer rely on a third party CKA? ➤ How long is a CKA valid for? □ What does the dealer need to do if an individual retail customer wishes to purchase a listed SIP? ➤ If CAR is positive

	➤ If CAR is negative ➤ Joint accounts ➤ Can the dealer rely on a third party CAR? ➤ How long is a CAR valid for? ❖ Other requirements • Best execution 2. Points to note
<u>Code on Collective Investment Schemes</u>	
At the end of the course, you should understand: • the purpose of the CIS Code; • the key areas covered by the CIS Code; and • the different treatment of securities funds and property funds.	1. What is the CIS Code? 2. Prohibited activities • Securities funds • Property funds 3. Delegation and investments in other funds 4. Investment guidelines and borrowing/leverage limits • Securities funds • Property funds 5. Dealing and valuation • Securities funds • Property funds 6. Accounts, reports and disclosures • Securities funds • Property funds 7. Performance and other fees • Securities funds • Property funds 8. Payment of fees and expenses, cash rebates and soft dollars 9. Related or interested party transactions • Securities funds • Property funds 10. Principles and key duties of various parties 11. Other provisions relating to property funds 12. Points to note
<u>Offering Rules</u>	

At the end of the course, you should understand: • what is an offer of CIS to which the offering rules apply; • how the extra-territorial provisions apply to an offer of units in a CIS made wholly outside Singapore; • the different application of the offering rules depending on who the offerees are; • the differences between restricted schemes, authorised schemes and recognised schemes; • the differences between prospectuses, information memoranda and product highlight sheets; • the offer information statement, private placement and small offers exemptions; • the ASEAN CIS Framework; • what advertisements are permitted; and • what are the requirements that must be complied with for permitted advertisements.	1. What is an offer of CIS to which the offering rules apply? • Extra-territorial application 2. Application of the offering requirements a) Only IIs b) Als and “large transactions” • What is a “large transaction”? • What is a restricted scheme? • What is an information memorandum? • Different treatment of REITs and non-REIT CISs c) Retail investors • What is an authorised scheme? • What is a recognised scheme? • What is a prospectus? • What is a PHS? ◦ Different treatment of REITs and non-REIT CISs 3. Some other exemptions a) Offer information statement b) Private placements c) Small offers 4. ASEAN CIS Framework 5. Advertisements 6. Points to note
<u>CPF Investment Scheme</u>	
At the end of the course, you should understand: • what is the CPF Investment Scheme; • what fund products are approved investments under the CPFIS-OA and CPFIS-SA schemes; • what funds are eligible for inclusion under the CPFIS; • how do you get a fund included under the CPFIS; • what does the CPF Investment Guidelines require;	1. What is the CPF Investment Scheme? • Fund eligibility conditions ◦ Local representative 2. How do you get a fund included under the CPF Investment Scheme? • Inclusion of the fund management company • Inclusion of a fund 3. CPF Investment Guidelines 4. Business conduct requirements • Disclosure and reporting BCR • Operational BCR

- the additional BCR that CPFIS-included funds need to comply with; and - what is the CPFIS risk classification system.	5. CPFIS risk classification system 6. Points to note
--	--

3. DELIVERY METHOD

The programme will be delivered through self-directed e-learning. The programme will be offered on an annual subscription basis through the provider's website:

www.nomikos.com.sg

Participants who have questions can raise their questions via e-mail. Over time, the provider plans to include a blog on its website that will summarise the most commonly raised questions and answers.

Depending on demand, the provider may also offer participants live webinars for questions and answers.

4. ASSESSMENT

There is an assessment for each course in the form of an on-line quiz comprising multiple choice questions as follows:

Course	Number of questions	Passing grade
Introduction to Investment Funds	6	5 out of 6
Capital Markets Services Licensing Business Conduct Requirements	6	5 out of 6
Fund Management and REIT Management Business Conduct Requirements	3	2 out of 3
Dealing Business Conduct Requirements	5	4 out of 5
Code on Collective Investment Schemes	5	4 out of 5
Offering Rules	5	4 out of 5
CPF Investment Scheme	4	3 out of 4
Total	34	

The questions will be randomly selected from a pool that is at least 3x the number of questions.

Participants can take the assessment at any time during their subscription. There is no time limit to complete the assessment. There is no limit to the number of attempts.