

Financial Advisers (Amendment) Bill

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Bill No: 14/2003

Read the first time: 14th August 2003

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Expenditure of Public Money

Financial Advisers (Amendment) Bill

Bill No. 14/2003

Read the first time on 14th August 2003.

An Act to amend the Financial Advisers Act (Chapter 110 of the 2002 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Financial Advisers (Amendment) Act 2003 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 2

2. Section 2(1) of the Financial Advisers Act (referred to in this Act as the principal Act) is amended —

- (a) by inserting, immediately after the words “Insurance Act (Cap. 142)” in the definition of “life policy”, the words “, but does not include any contract of reinsurance”; and
- (b) by deleting the words “an individual” in the definition of “representative” and substituting the words “a person”.

Amendment of section 5

3. Section 5 of the principal Act is amended —

- (a) by deleting the words “amend the First or Second Schedule” in subsection (1) and substituting the words “amend, add to or vary the First, Second or Third Schedule”; and

- (b) by deleting the words “First and Second” in the section heading.

Amendment of section 7

4. Section 7 of the principal Act is amended by deleting subsection (1) and substituting the following subsection:

- “(1) No person shall act as or hold himself out to be a representative unless —
- (a) he is an individual; and
 - (b) he holds a representative’s licence or is a representative of an exempt financial adviser.”.

Amendment of section 8

5. Section 8 of the principal Act is amended —

- (a) by deleting the words “or renewal” in subsection (3);
- (b) by inserting, immediately after subsection (3), the following subsection:

“(3A) An application for the renewal of a representative’s licence shall be supported by a person who is a licensed financial adviser.”; and
- (c) by inserting, immediately after the word “before” in subsection (6), the words “or during”.

Amendment of section 9

6. Section 9 of the principal Act is amended —

- (a) by deleting the words “, or such other person having the powers and duties of a receiver, receiver and manager or judicial manager,” in subsection (1)(f) and substituting the words “or an equivalent person”; and
- (b) by deleting subsection (4) and substituting the following subsection:

“(4) The Authority may refuse an application for the grant or renewal of a financial adviser’s licence on any of the following grounds without giving the applicant an opportunity to be heard:

 - (a) the applicant is in the course of being wound up or otherwise dissolved, whether in Singapore or elsewhere;
 - (b) a receiver, a receiver and manager or an equivalent person has been appointed, whether in Singapore or

- elsewhere, in relation to or in respect of any property of the applicant;
- (c) a prohibition order under section 59 has been made by the Authority, and remains in force, against the applicant;
- (d) the applicant has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty or the conviction for which involved a finding that it had acted fraudulently or dishonestly.”.

Repeal and re-enactment of section 10

7. Section 10 of the principal Act is repealed and the following section substituted therefor:

“Failure to maintain minimum financial requirements or professional indemnity insurance policy

10.—(1) A licensed financial adviser shall —

- (a) maintain, at all times during the currency of its licence, such minimum financial requirements or such other requirements as may be prescribed under section 9(1)(b); and
- (b) have in force, at all times during the currency of its licence, a professional indemnity insurance policy, the cover of which is consistent with such limit and deductible requirements as may be prescribed, or any other measure as may be approved by the Authority in lieu of a professional indemnity insurance policy, under section 9(1)(c).

(2) Where a licensed financial adviser contravenes subsection (1), the Authority may, without prejudice to any other remedy available to the Authority under this Act —

- (a) permit the financial adviser to continue to act as such, subject to such conditions as the Authority may impose; or
- (b) impose such requirements as may be specified in written directions, including requiring the financial adviser —
 - (i) to cease to act as a financial adviser other than for the purpose of giving effect to any agreement, transaction or arrangement that is permitted by or by virtue of its licence,