

---

First published in the *Government Gazette*, Electronic Edition, on 13 March 2020 at 5 pm.

---

## **No. S 170**

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

#### **SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (COLLECTIVE INVESTMENT SCHEMES) (AMENDMENT NO. 2) REGULATIONS 2020**

In exercise of the powers conferred by sections 337 and 341 of the Securities and Futures Act, the Monetary Authority of Singapore makes the following Regulations:

#### **Citation and commencement**

1. These Regulations are the Securities and Futures (Offers of Investments) (Collective Investment Schemes) (Amendment No. 2) Regulations 2020 and come into operation on 16 March 2020.

#### **Deletion and substitution of heading to Part II**

2. Part II of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 (G.N. No. S 602/2005) (called in these Regulations the principal Regulations) is amended by deleting the Part heading and substituting the following Part heading:

“AUTHORISATION AND RECOGNITION OF  
COLLECTIVE INVESTMENT SCHEMES,  
APPROVAL OF TRUSTEES AND  
REQUIREMENTS FOR APPROVED TRUSTEES”.

#### **New Division 2A of Part II**

3. Part II of the principal Regulations is amended by inserting, immediately after regulation 7, the following Division:

---

---

*“Division 2A — Requirements for custodians of  
non-umbrella VCCs or sub-funds of umbrella VCCs*

**Operational requirements for custodian of non-umbrella  
VCC**

**7A.**—(1) An approved trustee that is a custodian of a collective investment scheme constituted as a non-umbrella VCC must —

- (a) if, in the course of discharging the functions or duties of such custodian, it becomes aware that the non-umbrella VCC or its manager has contravened, in relation to the scheme, any legal or regulatory requirement applicable to the non-umbrella VCC or the manager, inform the Authority of the contravention no later than 3 business days after it becomes so aware;
- (b) ensure the safekeeping of all the property of the non-umbrella VCC in the following ways:
  - (i) in a case where any property of the non-umbrella VCC is capable of being held in custody by the approved trustee as custodian — hold the property, including by means of taking delivery of the property or the documents of title in respect of the property;
  - (ii) in any case — take appropriate measures to satisfy itself that each property purportedly owned by the non-umbrella VCC is in fact the property of the non-umbrella VCC, and record the measures taken;
- (c) maintain proper and up-to-date records of all the property of the non-umbrella VCC, and perform regular reconciliation of the records; and
- (d) ensure that the property (including the documents of title in respect of the property) of the non-umbrella VCC is kept distinct from —

- (i) that of the approved trustee;
- (ii) that of the manager of the non-umbrella VCC;  
and
- (iii) that held by the approved trustee on behalf of  
any other person.

(2) Despite paragraph (1)(d)(iii) but subject to paragraph (1)(c), where the approved trustee maintains a custody account in which it deposits any property that it holds on behalf of any other person, the property of the non-umbrella VCC may be deposited in the custody account together with such other property.

**Operational requirements for custodian of sub-fund of umbrella VCC**

**7B.**—(1) An approved trustee that is a custodian of a collective investment scheme constituted as a sub-fund of an umbrella VCC must —

- (a) if, in the course of discharging the functions or duties of such custodian, it becomes aware that the umbrella VCC or its manager has contravened, in relation to the scheme, any legal or regulatory requirement applicable to the umbrella VCC or the manager, inform the Authority of the contravention no later than 3 business days after it becomes so aware;
- (b) ensure the safekeeping of all the property of the umbrella VCC held on account of the sub-fund (called in this regulation the sub-fund's property) in the following ways:
  - (i) in a case where any sub-fund's property is capable of being held in custody by the approved trustee as custodian — hold the property, including by means of taking delivery of the property or the documents of title in respect of the property;

- 
- 
- (ii) in any case — take appropriate measures to satisfy itself that each property purportedly a sub-fund’s property is in fact the sub-fund’s property, and record the measures taken;
  - (c) maintain proper and up-to-date records of all the sub-fund’s property, and perform regular reconciliation of the records; and
  - (d) ensure that the sub-fund’s property (including the documents of title in respect of the property) is kept distinct from —
    - (i) that of the umbrella VCC that is not held on account of the sub-fund;
    - (ii) that of the approved trustee;
    - (iii) that of the manager of the umbrella VCC; and
    - (iv) that held by the approved trustee on behalf of any person.
- (2) Despite paragraph (1)(d)(i) and (iv) but subject to paragraph (1)(c), where the approved trustee maintains a custody account in which it deposits —
- (a) any property that it holds on behalf of any person; or
  - (b) any property of the umbrella VCC that is not held on account of the sub-fund,

the sub-fund’s property may be deposited in the custody account together with such other property.”.

### **Amendment of regulation 8**

**4.** Regulation 8(4) of the principal Regulations is amended —

(a) by deleting sub-paragraph (a) and substituting the following sub-paragraph:

“(a) the scheme is an arrangement —

- (i) under which units that are issued are exclusively or primarily

non-redeemable at the election of the holder of the units; and

- (ii) that is mentioned in paragraph (a), (aa) or (b) of the definition of “closed-end fund” in section 2(1) of the Act;”;

(b) by deleting the word “manager” wherever it appears in sub-paragraph (d) and substituting in each case the words “responsible person”; and

(c) by inserting, immediately after the words “trading for” in sub-paragraph (d)(i), the words “at least”.

### **New Division 3A of Part II**

5. Part II of the principal Regulations is amended by inserting, immediately after regulation 10, the following Division:

*“Division 3A — Requirements of constitution or contractual arrangements in respect of collective investment scheme constituted as non-umbrella VCC or sub-fund of umbrella VCC*

#### **Provisions to be included in constitution where collective investment scheme is constituted as non-umbrella VCC**

**10AA.**—(1) Where a collective investment scheme (called in this regulation the scheme) is constituted as a non-umbrella VCC, the prescribed requirements in relation to the constitution of the non-umbrella VCC under section 286(2A)(c) of the Act are that the constitution must —

- (a) subject to paragraph (3), contain the provisions set out in paragraph (2); and
- (b) contain the additional provisions set out in paragraph (4).

(2) For the purposes of paragraph (1)(a), the constitution must contain provisions that bind the non-umbrella VCC —

- (a) to issue, redeem or repurchase units in the scheme at a price equal to the proportion of the net asset value of