

Our Ref: LS/65/2007

Your Ref:

13 November 2007

Market Conduct Policy Division
Capital Markets Department
Monetary Authority of Singapore
10 Shenton Way
MAS Building
Singapore 079117

BY E-MAIL AND POST

E- mail:sfa_faa06@mas.gov.sg
No. of pages: 2 pages
(including this page)

Attention: Ms Abigail E. Ng
Assistant Director (Market Conduct Policy)

Dear Madam

**POLICY CONSULTATION ON AMENDMENTS TO THE SECURITIES AND FUTURES ACT AND THE FINANCIAL ADVISERS ACT
CONSULTATION ON THE SECURITIES AND FUTURES (AMENDMENT) BILL 2007 AND THE FINANCIAL ADVISERS (AMENDMENT) BILL 2007**

We refer to your e-mail request dated 12 October 2007 inviting the Law Society to provide its comments on the policy consultation paper and the Consultation Paper setting out the draft Amendment Bills and Regulations.

The consultation papers were released to our members for comments and also referred to our Corporate Practice Committee for views.

We set out the Corporate Practice Committee's comments on the consultation paper on the draft Amendment Bills as follows:

Section 4: Compliance Arrangements of Licence Holders

Paragraph 11 of the Consultation Paper states that the MAS proposes to make it a regulatory requirement for CEOs and Directors to put in place "compliance arrangements" that are "commensurate" with the nature, scale and complexity of the licence holder's business. It would be good if the MAS specifies in a guideline which compliance arrangements the MAS would regard as "commensurate". Otherwise this causes great difficulty for CEOs/Directors and their legal advisers to be sufficiently comfortable that their compliance arrangements are indeed "commensurate". It would also be unduly onerous as breach of such requirement is a criminal offence.

Section 8: Amendment to the Definition of "Accredited Investor" in the FAA

Paragraph 19 of the Consultation Paper states that the MAS proposes to amend the FAA to align the definition of "accredited investor" in the FAA with that under section 4A of the SFA. An accredited investor may prefer not to hold the investment in his own personal name and may prefer to use a custodian or a nominee. It would be good if MAS could clarify whether this would be allowed.



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THE LAW SOCIETY OF SINGAPORE

We apologize for the delay in our response and are grateful to you for granting the Law Society an extension of time to 13 November 2007 to provide its views.

Thank you for giving the Law Society the opportunity to present our views on the matter.

Yours faithfully



Alvin Chen
Director, Representation & Law Reform

cc. (1) Council
(2) Corporate Practice Committee