

GUIDANCE NOTE 14

Date issued: 21 November 2006

Issued Pursuant to the Guidelines on Advertisements and Promotional Materials (A & P Guidelines)

Introduction

1. This Guidance Note is published to notify the following:
 - (i) a new policy in relation to disclosure and warning statements for media advertisement (e.g. television, cinema or radio), currently stipulated under Clause 4.06(2) of the A & P Guidelines; and
 - (ii) other amendments in relation to the A & P Guidelines.
2. Nothing contained herein should be construed as prejudicing the powers of the Securities Commission under the Guidelines.

Policy Amendment

3. Under this Guidance Note, Clause 4.06(2) shall be deleted in its entirety and substituted with the following revised provisions:

- (2) Promotional materials will require the above disclosure statements to be displayed.
- (3) However, media advertisement (e.g. television, cinema and radio) will only require part (a) to (c) of the above disclosure statements to be read out/displayed.

4. The provision of Clause 4.07 is no longer applicable to media advertisement.

Other amendments

5. Under this Guidance Note, the provision under Clause 1.04(c) will be amended to read as follows:

(c) letters, circulars, newsletters, brochures, pamphlets or sales presentations;

6. Under this Guidance Note, the provision under Clause 2.02(c) will be amended to read as follows:

(c) In the case of non-English and non-Bahasa Melayu advertisements and/or promotional materials, the designated person responsible for compliance must submit a written confirmation in respect of the translation;

7. Under this Guidance Note, the provision under Clause 3.01 will be amended to read as follows:

3.01 Issuers are advised to adhere to the spirit of the A & P Guidelines and the standards set out. It should also be noted that issuers are not limited to management companies only, but extends to *any* person or institution wishing to issue or publish an advertisement and/or promotional material. Tied agent is only allowed to use advertisement and/or promotional material produced by the management company. Non-compliance with the provisions of the A & P Guidelines will attract penalties stipulated under Schedule A of the *Guidelines on Unit Trust Funds* (Guidelines).

8. Under this Guidance Note, the provision under Clause 4.02(1)(a) will be amended to read as follows:

(a) No due prominence shall be given to any incidental feature (e.g. free insurance coverage, free consumer goods or free trips, prizes for competition, etc.) that is featured in any advertisement and/or promotional material (e.g. the advertisement and/or promotional material should stress the fund and not the incidental feature);

9. Under this Guidance Note, the provision under Clause 4.05(2)(c) will be amended to read as follows:

(c) However, for annual performance awards, the award can be advertised for not more than one year after the announcement date of the award. Where the advertisement and/or promotional material make reference to award won by the fund manager, the award must be current (i.e. won by the fund manager within the past one year) and relevant to the fund advertised.