

FREQUENTLY-ASKED QUESTIONS
Guidelines on Private Retirement Schemes (PRS Guidelines)
(Date of Issuance: 1 September 2022)

1.0 INTRODUCTION

This document replaces the *Frequently-Asked Questions on the Revised Guidelines on Private Retirement Schemes* that was issued on 21 February 2020 and was last revised on 24 August 2020.

2.0 FREQUENTLY ASKED QUESTIONS RELATING TO THE PRS GUIDELINES ISSUED ON 1 SEPTEMBER 2022

2.1 When will the revised PRS Guidelines issued on 1 September 2022 take effect?

The revised PRS Guidelines are issued on 1 September 2022 and will take effect on the same date (Effective Date). Please refer to section 3.0 for the transitional arrangement.

Removal of requirement for investment committee

2.2 The requirement for investment committee has been deleted. Can existing funds maintain the current investment committee?

Yes, provided that the present investment committee can fulfil the roles and responsibilities expected of an oversight function.

2.3 What criteria should the private retirement scheme provider (PRS Provider) be guided by in order to ensure persons undertaking oversight functions are fit and proper?

The PRS Provider should be guided by the fit and proper criteria referred to in section 65 of the *Capital Markets and Services Act 2007* for the appointment of persons to undertake the oversight functions.

Application, registration, lodgement and notification

2.4 In terms of documents and information required to be submitted to the SC as referenced in the PRS Guidelines, where would this be located?

These can be found under: Regulations → Guidelines → Private Retirement Schemes → Application documents for Private Retirement Schemes → **Forms in relation to PRS**

3.0 TRANSITIONAL ARRANGEMENT

3.1 Does a PRS Provider need to immediately publish the information as specified in Schedule A of the PRS Guidelines in relation to its funds?

A PRS Provider must ensure that its website contains the minimum information specified in Schedule A by the **end of 2022**. PRS Providers are encouraged to comply with this requirement as soon as possible.

Exemption from having to apply for the SC's approval under Parts 1¹ and 3² of the Guidelines on Online Transactions and Activities in Relation to Unit Trusts (Online Guidelines).

As a consequence to the amendment to Schedule A of the PRS Guidelines, PRS Providers that have yet to obtain the SC's approval on Part 1 or Part 3 of the Online Guidelines will not be required to obtain the SC's approval prior to making the necessary amendment or enhancement to ensure their website complies with Schedule A of the PRS Guidelines. Instead, these PRS Providers must provide a notification to the SC of the update to their website which is to be accompanied by the following documents:

- (a) Checklist for compliance with the Online Guidelines;
- (b) Declaration by the internal auditors or external auditors of the PRS Provider in accordance with Appendix 1 of the Online Guidelines; and
- (c) Declaration by the director of the PRS Provider in accordance with Appendix 2 of the Online Guidelines.

3.2 Is there a transitional period for PRS Providers to prepare the risk management policy and procedures (RMP) documentation for existing or new funds that do not intend to invest in new or higher risks investments?

For existing or new funds that do not intend to invest in new or higher risks investments³, the PRS Provider is given **until 31 August 2023** to ensure that the RMP documentation for the funds is prepared and ready for inspection.

¹ Part 1 of the Online Guidelines deals with the issuance, circulation or distribution of electronic prospectuses and electronic application forms.

² Part 3 of the Online Guidelines deals with online activities in relation to unit trusts, which refer to any utilisation of the internet or other electronic medium to market, promote, distribute or provide information in relation to, among others, unit trust funds.

³ Please refer to the *Forms in relation to PRS* on what "new or higher risks investments" entail.

However, if any of the existing or new funds intends to invest in new or higher risks investments, the PRS Provider must prepare the RMP documentation for submission to the SC prior to undertaking such investments.

3.3 In relation to compliance with the PRS Guidelines in general, does the SC expect a PRS Provider and its private retirement scheme to immediately comply with the PRS Guidelines?

The SC expects a PRS Provider to immediately comply with the PRS Guidelines. However, where adoption of requirements in the PRS Guidelines require the following to be undertaken by the PRS Provider, transitional period of **12 months** from the Effective Date is accorded to make those changes:

- (a) Change its systems and processes;
- (b) Amend its Scheme's deed or disclosure document; or
- (c) Rebalancing of funds' investments.

For all other matters, a transitional period of **6 months from the Effective Date**.

Implication on fund reports

With regard to preparation and publication of fund reports, the SC expects all fund reports for the financial year or financial period **ending on or after 30 November 2022** (which would be due by **31 January 2023**) to fully comply with the revised PRS Guidelines.