

FREQUENTLY ASKED QUESTIONS
GUIDELINES ON THE REGISTRATION AND CONDUCT OF
CAPITAL MARKET SERVICES PROVIDERS

(Date Issued: 19 October 2018)

(Date Revised: 28 November 2024)

1.0 APPLICATION OF THE GUIDELINES

1.1 What are the fees applicable under the *Guidelines on the Registration and Conduct of Capital Market Services Providers* (CMSP Guidelines)?

Under the CMSP Guidelines, all registered entities will be required to pay fees specified by the SC.

1.2 Is the CMSP Guidelines applicable to private trust companies offering private trust services?

No, the CMSP Guidelines is not applicable to private trust companies that do not offer capital market services.

1.3 Are registered entities required to change their existing outsourcing agreement and/or delegation agreement to reflect requirements as stated in paragraph 10.13 of the CMSP Guidelines?

No. This requirement does not have a retrospective effect as long as the existing outsourcing agreement and/or delegation agreement does not have any provision that is contrary to the requirements of the CMSP Guidelines. However, if there are changes made to the current agreement(s) after the issuance of the CMSP Guidelines, then the agreement(s) must comply with the Guidelines.

2.0 AREAS SPECIFIC TO A REGISTERED TRUSTEE

2.1 Staff competence

Paragraph 4.05(c) of the CMSP Guidelines provides that trustees must ensure that their personnel have the necessary qualifications, expertise, experience and skills to carry on business as a trustee. What are the expected staff competencies?

Registered trustees must ensure that they deploy sufficient qualified, competent and experienced personnel to enable them to satisfy all the requirements in the CMSP Guidelines and discharge their monitoring roles.

2.2 Products and services

(i) Are trustees for fund administration, fund accounting and transfer agency services subject to the CMSP Guidelines?

No. Such back-office service is not specified to be a capital market service for the purpose of section 76A of the CMSA, as set out in paragraph 1.04 of the CMSP Guidelines.

(ii) Are registered trustees who act as trustee for different types of unit trust schemes such as ETFs, unit trust funds and real estate investments (REITs) required to be registered separately?

No. Trustees for unit trust schemes are only required to register once (i.e. as a trustee for UTS).

2.3 Retirement of trustees

In the event that the unitholders' registrar is maintained by the management company (MC) or the MC's transfer agent services provider, how is a retiring trustee expected to notify the unitholders immediately?

A retiring trustee shall collaborate with the MC to ensure proper arrangements are in place for the safekeeping of investors' assets and notify the relevant stakeholders, including the unitholders, immediately.

The same applies to bond trustees should the pertinent information be held by the authorised depository institutions (ADIs).

2.4 Related-party trustees (RPTs)

- (i) A trustee fee is typically proposed by the promoter on behalf of the fund. Therefore, are RPTs required to demonstrate that they are financially independent of the management company or the issuer?**

Yes, RPTs must demonstrate their financial independence to determine the extent of their ability to act independently.

- (ii) Can a registered trustee who has not yet comply with the new requirements in paragraphs 1(b)(ii) and 1(d) of Appendix 2 of these Guidelines (new requirements) submit a declaration or application to be a RPT?**

A registered trustee that has not yet complied with the new requirements may still submit their declaration or application to be a RPT prior to 1 June 2025, provided they meet all other relevant requirements.

However, the registered trustee must ensure compliance with the new requirements as soon as possible and no later than 1 June 2025 once they have obtained SC's approval to be a RPT.

- (iii) Are existing RPTs required to comply with the new requirements in paragraphs 1(b)(ii) and 1(d) of Appendix 2 of these Guidelines (new requirements)?**

Existing RPTs that have obtained SC's approval are given a transitional period of 6 months to make the necessary arrangements to ensure compliance with the new requirements.

All RPTs must comply with these new requirements as soon as possible and no later than 1 June 2025.

- (iv) Can a RPT appoint its statutory auditor to conduct the independent assessment required under paragraph 4.23?**

The statutory auditor of the RPT may be appointed as the external auditor to conduct the assessment and such auditor must be registered with the Audit Oversight Board.

2.5 Annual data reporting

How should a registered trustee submit the annual data reporting?

The registered trustee is required to submit an annual data reporting via the SC's Common Reporting Platform (XBRL) in the form or format prescribed.

2.6 Foreign Funds

Are trustees for permitted foreign funds under the *Guidelines for the Offering, Marketing and Distribution of Foreign Funds (OMD Guidelines)* required to comply with the CMSP Guidelines?

Unless otherwise stated in the OMD Guidelines, a trustee or fund supervisor or custodian, as the case may be, of a permitted foreign fund is not subject to the requirements in the CMSP Guidelines.

2.7 Foreign trustees

Is Chapter 5 of the CMSP Guidelines applicable to all foreign trustees, including those from jurisdictions where trustees are not regulated?

Only foreign trustees for corporate bond and sukuk are subject to the CMSP Guidelines.

Trustees from jurisdictions without a regulatory regime for trustees will be required to apply for registration as a trustee in accordance with the requirements set out in Chapter 4 of the CMSP Guidelines.