

SUMMARY OF AMENDMENTS
REVISED GUIDELINES ON CONDUCT FOR CAPITAL MARKET INTERMEDIARIES
(Date of Issuance: 29 March 2024)

The following table provides a summary of key amendments to the revised *Guidelines on Conduct for Capital Market Intermediaries* (Guidelines) issued on 29 March 2024:

A. Overview
<ol style="list-style-type: none">1. The Guidelines were revised to ensure that capital market intermediaries (CMI) and their representatives cultivate a corporate culture and business conduct which focus on delivering to clients, the outcomes as set out in paragraph 1.02 of the Guidelines.2. The key amendments include:<ul style="list-style-type: none">• Clarifying the role of the board and senior management of CMI in ensuring that CMI comply with the Guidelines and maintain a good corporate culture• Enhancing existing conduct requirements by, among others, setting out the SC's expectations on how clients' complaints must be dealt with as well as requiring CMI and their representatives to explain the implications of terms in standard form contracts which affect clients' rights and obligations• Setting out requirements on the treatment of vulnerable clients• Setting out requirements applicable to CMI and their representatives when giving personal advice to a client• Setting out the SC's expectations on the quality of data submitted to the SC• Setting out principles and requirements applicable to CMI providing a capital market related service on or through an online platform3. In addition, housekeeping and editorial amendments were made throughout the Guidelines to provide greater clarity and consistency. These amendments include stylistic or formatting changes and necessary changes of an editorial nature such as renumbering of certain requirements and chapters, rephrasing of certain requirements, standardisation of terminology and grammatical corrections.

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B. Amendment Highlights			
No.	Prior to 29 March 2024	Revised Version Dated 29 March 2024	Comments
Chapter 1: Introduction			
1.	Paragraph 1.02	Paragraph 1.02	Amended to set out the outcomes that CMI and their representatives must aim to deliver to their clients.
2.	-	Paragraphs 1.04 and 1.05	New paragraphs inserted to clarify that the requirements under the Guidelines will also apply to CMI using digital technology to provide capital market related services, and indicate that the Guidelines sets out principles and requirements applicable to CMI providing capital market related services on or through online platforms.
Chapter 2: Applicability			
3.	Paragraph 2.02	-	Deleted in view of the new outcomes set out in the amended paragraph 1.02.
4.	-	Paragraph 2.04	New paragraph inserted to clarify that a CMI may choose to adopt its own approach in complying with a requirement, provided that the CMI is able to show to the SC how it has done so.

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Chapter 4: Definitions			
5.	Paragraph 4.01	Paragraph 4.01	<ul style="list-style-type: none"> • Amended definition of 'client' to clarify that a client includes a prospective client. • New definition of 'personal advice' inserted. • New definition of 'standard form contract' inserted. • New definition of 'vulnerable client' inserted.
Chapter 5: Role of Board and Senior Management			
6.	-	Paragraphs 5.01 - 5.04	Inserted new chapter 5 to set out the respective responsibilities of a CMI's board and senior management to ensure compliance with the Guidelines.
Chapter 6: Treatment of Clients			
7.	Paragraph 5.02(a)	Paragraph 6.02(a)	Amended to clarify that the requirement extends to vulnerable clients and applies throughout a CMI's relationship with a client.

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8.	Paragraph 5.02(c)	Paragraph 6.02(c)	Amended to require CMI and their representatives to also provide information to clients that is accurate, balanced, complete, sufficient for clients to make informed investment decisions and which does not omit any material information.
9.	Paragraph 5.02(d)	Paragraph 6.02(d)	Amended to emphasise that CMI and their representatives must offer products that are suitable to clients' particular circumstances when giving personal advice.
10.	Paragraph 5.02(e)	-	Deleted as subsumed under new paragraph 6.02(c).
11.	Paragraph 5.02(f)	Paragraph 6.02(e)	Amended to clarify that CMI and their representative may disclose fees and charges payable by clients in the form of percentage or a range.
12.	Paragraph 5.02(g)	Paragraph 6.02(f)	Amended to clarify that a CMI's reward or incentive structures must be designed to encourage responsible business conduct and avoid conflicts of interest.
13.	Paragraph 5.02(h)	Paragraph 6.02(g)	Amended to clarify what CMI and their representatives must take into consideration in discharging the obligation relating to the handling of clients' complaints and disputes.
14.	Paragraph 5.02(j)	Paragraph 6.02(i)	Amended to clarify the type of practices the SC will consider as unethical.

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15.	Paragraph 6.04	Paragraph 6.03	Amended to clarify that a CMI's representatives must be properly trained and qualified to deliver the outcomes in the amended paragraph 1.02.
16.	-	Paragraph 6.04	New paragraph inserted to require CMI and their representatives to explain to clients the implications of terms under a standard form contract which affect the clients' rights and obligations.
Chapter 7 – Treatment of Vulnerable Clients			
17.	-	Paragraph 7.01	New chapter inserted to set out the SC's expectations on the treatment of vulnerable clients.
Chapter 8: Care, Skill and Diligence			
18.	Paragraph 6.01	Paragraph 8.01	New sentence inserted to reinforce the reason why CMI must exercise care, skill and diligence.
19.	-	Paragraph 8.02	New paragraph inserted to expand the non-exhaustive list of situations in which CMI are expected to exercise reasonable care, skill and diligence.
20.	Paragraphs 6.02, 6.03 and 6.04	-	Deleted as subsumed under new paragraphs 9.08(a), 8.02(a), 8.02(f) and 6.03.

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Chapter 9: Specific Requirements in relation to Personal Advice			
21.	-	Paragraphs 9.01 – 9.17	New chapter inserted to– (a) set out requirements applicable to CMI when giving personal advice to clients both, on a face-to-face basis, and on or through an online platform; and (b) clarify the situations in which the requirements for personal advice will not apply or may be dispensed with.
Chapter 11: Clients’ Assets and Information			
22.	Paragraph 8.03	Paragraph 11.03	Amended to require a CMI to maintain clients’ information in a secure manner and have in place appropriate and effective CPP to protect clients’ information.
23.	Paragraph 8.05	Paragraph 11.05	Amended to require a CMI to have in place appropriate and effective CPP to deal with any breach in the safe-guarding of clients’ information.

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Chapter 12: Communication with Clients and Regulators			
24.	Paragraph 9.02	Paragraph 12.02	New sentence inserted to require CMI and their representatives to explain technical terms to clients.
25.	Paragraph 9.03	-	Deleted as subsumed under new paragraphs 6.02(b) and (c).
26.	-	Paragraphs 12.04 and 12.05	New paragraphs inserted to set out the SC's expectations for the quality of data submitted to the SC by CMI and their representatives.
Chapter 13: Principles and Requirements Applicable to Online Platforms			
27.	-	Paragraphs 13.01 - 13.10	New chapter inserted to set out principles and requirements applicable to CMI providing capital market related services on or through online platforms.
Chapter 10: Compliance			
28.	Paragraphs 10.01 – 10.04	-	Deleted as subsumed under new Chapter 5.

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Chapter 11: The SC's Assessment on Compliance with These Guidelines			
29.	Paragraphs 11.01 – 11.02	-	Deleted as subsumed under amended paragraph 1.02 and new Chapter 5.