

MAS Issues FAQs on Notice on Business Conduct Requirements for Corporate Finance Advisers

On 21 June 2023, the Monetary Authority of Singapore (**MAS**) issued frequently asked questions on the Notice on Business Conduct Requirements for Corporate Finance Advisers (**FAQs**), which provide guidance on the regulatory scope and requirements of the Notice on Business Conduct Requirements for Corporate Finance Advisers (**CF Notice**) issued by the MAS on 23 February 2023.

For information on the CF Notice, which imposes mandatory baseline standards of due diligence and conduct requirements for corporate finance advisers (**CF Advisers**), please refer to:

- (a) WongPartnership LLP's update of 24 February 2023 entitled "[Implementation of MAS Due Diligence Requirements for Corporate Finance Advisers](#)"; and
- (b) The CF Notice issued by the MAS entitled "[Notice SFA 04-N21 on Business Conduct Requirements for Corporate Financial Advisers](#)".

The FAQs provide clarification and guidance on the requirements set out in the CF Notice, including:

- (a) The relevant date for determining the applicability of the CF Notice;
- (b) The ability of the CF Adviser to rely on group-level policies and procedures to fulfil the requirements under the CF Notice;
- (c) The applicability of the CF Notice:
 - (i) to foreign related corporations and foreign offices that provide corporate finance advice under cross-border arrangements with a Singapore CF Adviser;
 - (ii) in respect of a transaction that takes place outside Singapore or involving a client outside Singapore;
 - (iii) where a CF Adviser is acting in a role that does not constitute the regulated activity of advising on CF under the Securities and Futures Act 2001 and where the CF Adviser is and is not acting as an issue manager; and
 - (iv) where a CF Adviser is acting as a financial adviser;
- (d) The situations in which the exemptions listed in paragraph 3(a) of the CF Notice, and when the due diligence requirements in paragraph 19 of the CF Notice, apply;
- (e) The nature and scope of due diligence to be conducted for transactions other than initial public offerings, reverse takeovers or a business combination by a special purpose acquisition company (SPAC);
- (f) The application of the requirement to manage conflicts of interest and examples of measures to manage conflicts;

- (g) The requirements as to physical segregation of the corporate finance (CF) function or department and safeguarding of confidential or price sensitive information in work from home arrangements;
- (h) Whether reference may be made to the Listings Due Diligence Guidelines issued by the Association of Banks in Singapore in formulating the due diligence framework;
- (i) Whether senior management required for the oversight of the CF Advisers' business and to whom material issues are escalated may also execute transactions, whether such members of senior management would need to be appointed CF representatives and whether the responsibilities of senior management may be delegated;
- (j) Factors the CF Adviser may consider in independently assessing a third-party service provider and the results of the work performed by the third-party service provider;
- (k) Reliance by a CF Adviser on expert opinions to make an assessment of the accuracy and completeness of the information included in a prospectus or offer information statement;
- (l) Whether the CF Adviser would comply with the requirements of paragraph 35 of the CF Notice where certain information may not be available at the time of submission of the listing application and the requirements to keep the specified approved exchange updated on developments; and
- (m) The basis on which CF Advisers may comply with the forward-looking aspect of the requirement in paragraph 35(d) of the CF Notice in relation to the listing applicant having established procedures, systems and controls at the point of the listing application and "on an ongoing basis thereafter".

For the full set of FAQs and the responses of the MAS to the FAQs, you may refer [here](#).

The CF Notice will apply to all corporate finance advisory engagements entered into on or after 1 October 2023. However, the MAS strongly encourages CF Advisers to take reference from the requirements in the CF Notice for engagements entered into before 1 October 2023 and apply the corresponding control and due diligence measures to such engagements.

If you would like information and/or assistance on the above or any other area of law, you may wish to contact the Partner at WongPartnership whom you normally work with or any of the following Partners:



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