

# ANZ (SINGAPORE AND OFFSHORE) INFORMATION FOR EXPERT INVESTORS

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September 2021

## DEFINITION OF EXPERT INVESTOR

Expert Investor is a person mentioned in section 4A(1)(b)(i), (ii) or (iii) of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), namely:

- (a) a person whose business involves the acquisition and disposal, or the holding, of capital markets products, whether as principal or agent;
- (b) the trustee of such trust as the Monetary Authority of Singapore ("**MAS**") may prescribe, when acting in that capacity; or
- (c) such other person as the MAS may prescribe.

## EXEMPTIONS

We are exempt from complying with certain requirements under the Financial Advisers Act, Chapter 110 of Singapore (the "**FAA**") and certain regulations, notices and guidelines issued thereunder, in respect of any financial advisory service which we may provide to you as expert investor. In particular, when providing financial advisory services to you, we are exempt from the following:

- (a) **Section 25 of the FAA, MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03] and MAS Practice Note on the Disclosure of Remuneration by Financial Advisers [Practice Note No. FAA-PN01].** Section 25 of the FAA imposes an obligation on a financial adviser to disclose to its clients and prospective clients all material information relating to any designated investment product<sup>1</sup> recommended by the financial adviser, including *inter alia* the terms and conditions of the designated investment product, and the benefits and risks of the designated investment product. The MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03] sets out the general principles and specific requirements as to the form and manner of disclosure for compliance with, among others, section 25 of the FAA. This is supplemented by the MAS Practice Note on the Disclosure of Remuneration by Financial Advisers [Practice Note No. FAA-PN01], which provides guidance on the requirements imposed on a financial adviser in relation to disclosing certain remuneration.

Under regulation 33(1)(b) of the FAR, we are exempted from the disclosure requirement under section 25 of the FAA when providing any financial advisory service in respect of any designated investment product, that is a capital markets product, to an expert investor. Additionally, in these circumstances, we would also not be required to comply with MAS Notice No. FAA-N03 and Practice Note No. FAA-PN01.

- (b) **Section 27 of the FAA, MAS Notice on Recommendations on Investment Products [Notice No. FAA-N16], MAS Guidelines on Switching of Designated Investment Products [FAA-G10], and MAS Practice Note on the Sale of Investment Products [FAA PN-02].** Section 27 of the FAA requires a financial adviser to have a reasonable basis for any recommendation on an investment product, after considering the investment objectives, financial situation and particular needs of the client. The financial adviser must also conduct investigation on the investment product that is the subject matter of the recommendation, as is reasonable in all the circumstances. Under section 27(3) of the FAA, a financial adviser may also be liable to pay damages in respect of loss or damage suffered by a person to whom the financial adviser has made a recommendation in contravention of the requirements above. The MAS Notice on Recommendations on Investment Products [Notice No. FAA-N16] sets out requirements which apply to a financial adviser when it makes recommendations on investment products to its clients. This is supplemented by the MAS Practice Note on the Disclosure of Remuneration by Financial Advisers [Practice Note No. FAA-PN02], which provides guidance to a financial adviser and their representatives on the assessment they must conduct on a client before recommending any complex investment product to their clients. The MAS Guidelines on Switching of Designated Investment Products [FAA-G10] provide

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<sup>1</sup> A "designated investment product" in this context means a unit in a collective investment scheme, a life policy (including a group life policy), or such other investment product as the Monetary Authority of Singapore may prescribe.

guidance on the controls, processes and procedures that the MAS expects financial advisers to implement in order to monitor switching and ensure that their representatives do not advise clients to switch from one designated investment product to another designated investment product in a manner that would be detrimental to the clients.

Under regulation 34(1)(b) of the FAR, we are exempted from section 27 of the FAA when making a recommendation in respect of any capital markets product to an expert investor. Additionally, in these circumstances, we would also not be required to comply with MAS Notice No. FAA-N16, Guidelines No. FAA-G10 and Practice Note No. FAA-PN02.

- (c) **Section 36 of the FAA.** Where a financial adviser sends a circular or other similar written communication in which the financial adviser makes a recommendation with respect to any specified products<sup>2</sup>, section 36 of the FAA requires the financial adviser to include a statement of the nature of any interest in, or any interest in the acquisition or disposal of, specified products that the financial adviser or a person associated with or connected to such financial adviser, has at the date on which the circular or other written communication is sent.

Under regulation 35(1)(a)(i) of the FAR, we are exempted from section 36 of the FAA when sending a circular or other similar written communication in which a recommendation is made in respect of any specified product to an expert investor.

## GENERAL POINTS TO NOTE

Expert investors are assumed to be better informed, and better able to access resources to protect their own interests, and therefore require less regulatory protection. Investors who are treated as expert investors therefore do not have the benefit of certain regulatory safeguards, and intermediaries are exempted from a number of business conduct requirements when dealing with expert investors. Investors should consult a professional adviser if they do not understand any consequence of being treated as an expert investor.

The regulatory requirements that we are exempted from when dealing with you as an expert investor may be amended and updated from time to time due to regulatory changes or otherwise. Any amendments and updates would be set out on our website <https://institutional.anz.com/about-anz-institutional/disclosures>.

***\* This disclosure relates only to your account(s) to be opened with us , transaction(s) to be booked with us, and services and products that may be offered by us to you where you act as principal solely for your own account, and does not include the other account(s) and transaction(s) that may be opened or entered into by you in a different capacity, such as account(s) opened by you as trustee, or the services and products that may be offered by us to you where you act in a different capacity.***

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<sup>2</sup> "Specified products" in this context means securities, specified securities-based derivatives contracts or units in a collective investment scheme.

