

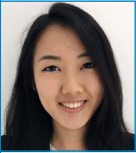


REGIONAL UPDATE
SINGAPORE

Loo & partners LLP
俊昭法律事務所



LISTING ADVISORY COMMITTEE'S RECOMMENDS THE LISTING OF DUAL-CLASS SHARES ON THE SGX



On 22 November 2016, the Association of Banks in Singapore (“**ABS**”) announced the amendments to the Private Banking Code of Conduct (“**PB Code**”). The enhanced standards expand on the existing requirement for private banks to ensure that their clients are informed of key terms of transactions.



Currently, the PB Code requires disclosure of key terms of a transaction, which should include: (i) fees, charges and other quantifiable benefits received or charged by the bank; (ii) the capacity in which the bank is acting; (iii) affiliation of the bank with the product issuer(s); (iv) key risks associated with the transaction such as those associated with leverage and margin financing; and (v) termination clauses.

A summary of the key changes to the PB Code is set out below.

1. Specific disclosures on bond rebates

Banks must now make specific disclosure of bond rebates, which refer to financial incentives that the banks may receive for the sale or distribution of primary issuance of bonds. Such disclosure must be made prior to or at the point of sale.

2. Disclosure of quantifiable benefits

In general, fees, charges and quantifiable benefits must be disclosed to clients in further detail. Where such quantifiable benefits cut across different product or service categories, the bank should divide and attribute them to the respective categories. The maximum and/or minimum dollar amount or percentage range of all applicable fees, charges and other quantifiable benefits should also be set out.

3. Mandatory dissemination of fee schedule

A fee schedule covering all investment product and service categories (including advisory and discretionary portfolio services) is required to be disseminated to the client at the time of account opening.

4. Prohibition of retrocessions for products purchased under discretionary portfolios

In the case of discretionary portfolio services, a bank should not receive any retrocessions from product providers if they have already charged the client a management/advisory fee for the portfolio services. If the bank receives any retrocessions for products purchased under discretionary portfolios, the bank should adjust the management/advisory fees to the extent possible, or rebate the retrocessions to the client. Where it is not possible to do so, the client's agreement must be sought.

Apart from the requirement for specific disclosure of bond rebates which came into effect on 1 October 2016, the rest of the changes will be implemented with effect from 31 March 2017.

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