

CRITERIA FOR FUND MANAGEMENT COMPANIES (FMCs) TO BE INCLUDED UNDER CPFIS

Amended 1st
April 2005

A1. In considering the admission of FMCs under CPFIS, the Board takes into consideration the following factors:

- a) whether the FMC holds a capital markets services (CMS) license for Fund Management under the Securities and Futures Act, Cap 289 (or its equivalent under the Securities Industry Act, Act 15 of 1986) or is exempted from licensing under section 99(1)(a) to (c) of the Act. For the foreign FMC of a recognised fund, whether the foreign FMC holds the equivalent license in the jurisdiction of its principal place of business.
- b) whether the FMC has a minimum one-year track record as a CMS licence holder under the Securities Futures Act, Cap 289 (or its equivalent under the Securities Industry Act, Act 15 of 1986) in the fund management industry in Singapore while the group as a whole has a minimum of three years track record in fund management. For the foreign FMC of a recognised fund, whether it has a minimum of three years track record in fund management.
- c) whether the FMC and its related group of companies manages at least S\$500 million worth of funds in Singapore. For the FMC that intends to offer funds that would be sub-managed by another FMC, or offer funds that feed into CIS constituted outside Singapore, or offer recognized funds constituted outside Singapore directly; whether the FMC and its related group of companies manages at least S\$1 billion of discretionary funds globally.
- d) whether the FMC has a minimum of three fund managers, one of whom must have at least five years of fund management experience. The definition of “fund manager” shall include portfolio managers, research analysts and traders.
- e) whether the FMC and its related group of companies have a sound financial position.
- f) whether the FMC and its related companies have a good regulatory compliance record in Singapore or in the jurisdiction of its place of business.
- g) whether the FMC is a member or associate member of the Investment Management Association of Singapore (IMAS) and subject to the Code of Ethics of IMAS. For recognized funds, the local representative of a foreign FMC should be a member of IMAS.

Note: The above listed are the basic criteria for FMCs to be included under CPFIS. The Board, in consultation with MAS,

may consider the FMC for admission, on case-by-case basis, if the FMC does not meet a specific criterion but has other strengths.

- A2. The FMC that passes the qualifying criteria stated in paragraph A1 would be able to manage *Collective Investment Schemes* (CIS) and ILP sub-funds, as well as offer fund management account services under CPFIS.
- A3. For FMCs domiciled outside Singapore, the Singapore-registered Representative or Agent of the FMC has to ensure timely submission of reports on compliance with the *CPFIS Terms and Conditions for Fund Management Companies* (CPFIS T&C), including the **CPF Investment Guidelines (CPFIG)**, for the FMC's funds that are included under CPFIS.