



## Accredited Investors and Their Special Treatment

Accredited investors are considered to be sophisticated investors and hence eligible to enjoy more flexible and swift investments not available to the general public. Other than having access to specialised services and investment instruments limited to accredited investors, the reduced requirements will also allow the financial institutions serving accredited investors to more effectively channel their efforts into their core expertise in managing investments to the benefit of accredited investors. For example, financial institutions will be able to make timely decision/s to invest into quantity-limited or time-limited investments. Correspondingly, such reduced requirements (e.g. lesser or limited disclosure requirements) will result in reduced investor safeguards.

As professionals and under our asset management agreement with you, our recommendations will nevertheless always take your situation into consideration; however not in accordance to the prescribed standards for retail investors which include specific standardised assessments.

Examples of reduced investor safeguards are as follows:

- We may provide you preliminary documents, and oral or written information in their regard or regarding the prospectus, on securities, such as shares and debentures, securities-based derivatives contracts and collective investment schemes (commonly referred to as mutual funds or investment funds) before the prospectus or profile statement is registered with the Monetary Authority of Singapore (sec. 251(3) and (4)(a), 300(2A) and (2B)(a) SFA). You may thus receive information that may not meet regulatory requirements for general public distribution.

We may offer you securities, such as shares and debentures, and securities-based derivatives contracts and units in business trusts and collective investment schemes (commonly referred to as mutual funds or investment funds) without a prospectus, i.e. without the full disclosure required for general public offering, or lesser periodic reporting on debentures (sec. 275(1), 305, 305A(1)(b), (2)(i)(A) and (3)(i)(A) SFA).

Conversely, you may purchase investment instruments offered under these limited disclosure requirements without additional requirements (sec. 276(1)(b), (2)(b), (3)(i)(A) and (3)(i)(A) SFA).

- We may provide advice on bonds to you without having a specific authorisation from the Monetary Authority of Singapore to carry out this activity (reg. 28(1)(b) FAR).
- We may market and sell an investment product, such as shares, debentures, units in a collective investment scheme (commonly referred to as mutual funds or investment funds), derivatives contracts, spot foreign exchange contracts for the purposes of leveraged foreign exchange trading, and life policies, to you without prior due diligence on the investment product to ascertain its suitability for targeted clients (reg. 18B(9) FAR). We may even expressly or implicitly make a recommendation with respect to any investment product to you without ascertaining that the investment product meets your investment objectives, financial situation and particular needs. When making a recommendation to you without such consideration, we will however disclose this fact to you (reg. 34(1)(a), (2) FAR).

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- We may recommend a designated investment product, such as units in a collective investment scheme (commonly referred to as mutual funds or investment funds) or a life policy, to you without providing full disclosure as required for retail investors, such as (a) the terms and conditions of the designated investment product, (b) the benefits to be, or likely to be, derived from the designated investment product, and the risks that may arise from the designated investment product, (c) the premium, costs, expenses, fees or other charges that may be imposed in respect of the designated investment product, (d) where the designated investment product is a unit in a collective investment scheme (commonly referred to as mutual fund or investment fund), the name of the manager of the scheme and the relationship between HPWM and the manager, and (e) where the designated investment product is a life policy, the name of the licensed insurer under the life policy and the relationship between HPWM and the insurer. We will disclose the above stated exemption to you when providing the advisory services for the designated investment product (reg. 33(1)(a), (2) FAR).
- Where we provide you research reports and analysis from foreign research houses, we are not required to accept legal responsibility for the content of such report or analysis (32C(1)(d) FAR).
- We may recommend specified products, such as securities, including shares, debentures, securities-based derivatives contracts, and units in a collective investment scheme (commonly referred to as mutual funds or investment funds), by circular or other written communication, whether expressly or by implication, to you without disclosing the nature of any interest in, or any interest in the acquisition or disposal of these specified products that we, or a person associated with or connected to us, has. However, we will disclose this exemption to you when providing the advisory services for your investment without disclosing such interest (reg. 35(1)(a)(ii), (2) FAR).
- We are not required to disclose our interests from investment or underwriting of the respective financial instrument, when we offer or recommend securities, such as shares and debentures, securities-based derivatives contracts, or units in collective investment schemes (commonly referred to as mutual funds or investment funds) to you (47A(3)(a)(i) SF(LCB)R).
- We are not required to furnish you a statement of account on a monthly basis, if you request in writing not to receive such statement on a monthly basis or, with your consent, if we make similar particulars available to you through an electronic facility on a real-time basis (reg. 40(1A)(b) SF(LCB)R).

Excerpt of Regulation 3(9) of the Securities and Futures (Classes of Investors) Regulations:  
<https://sso.agc.gov.sg/SL/SFA2001-S665-2018>