

## Effect of Treating an Investor as an Accredited Investor for the Purpose of the Consent Provisions

Consent Provisions	Summary of the Consent Provisions	How does it affect you if you are treated as an Accredited Investor by the StashAway?
<p>Section 275(2) of the SFA, for the purposes of Sections 251(3) or 4(a), 275(1) or 276(1)(b), (2)(b), 3(i)(A) or 4(i)(A) of the SFA</p> <p>Section 305(5) of the SFA, for the purposes of Sections 300(2A) or (2B)(a), 305(1) or 305A(1)(b), 2(i)(A) or 3(i)(A) of the SFA</p>	<p><u>Prospectus disclosure and fund authorisation and recognition requirements:</u></p> <p>Under the SFA, any person who offers securities, securities based derivative contracts and units in collective investment schemes to any persons in Singapore are required to lodge and register with MAS, a prospectus that complies with detailed disclosure requirements prescribed under the SFA, unless exempted. Further, where the products offered are units in collective investment schemes, the collective investment schemes need to be authorised or recognised by the MAS for offers to retail investors in Singapore, and the collective investment schemes need to adhere to the Code on Collective Investment Schemes.</p> <p>The SFA provides for criminal liability for false and misleading statements contained in the prospectus, or material omissions from the prospectus.</p> <p>In addition, certain persons, including the offeror, the issuer, the issuer manager and the underwriter ("<b>responsible persons</b>") may be liable to compensate any person for losses suffered as a result of the false or misleading statement in or omission from the prospectus.</p> <p>Issuers and offerors are exempt from the prospectus registration requirements under the SFA, if the offers are made to investors in Singapore who qualify as "relevant persons", which includes Accredited Investors. Secondary and subsequent sales or transfers to relevant persons are also exempt from the prospectus registration requirements, provided that certain conditions are met.</p>	<p>In respect of any offer of funds or any other securities, securities based derivative contracts and units in collective investment schemes made to you in Singapore in your capacity as an Accredited Investor, the issuer / offeror is exempt from the detailed prospectus and registration requirements.</p> <p>As a result, the issuer/offeror is not subject to the statutory prospectus liability under the SFA, and you will not be entitled to seek compensation from the responsible persons under the statutory civil liability regime for prospectuses for any losses suffered as a result of any false or misleading statement in or omissions from any offering documents provided to you.</p> <p>You may also receive materials relating to a preliminary document that has been lodged with the MAS, which retail investors would be protected under the SFA from receiving.</p> <p>As a practical effect, you will, as an Accredited Investor have access to a broader range of securities and/or units of collective investment schemes ("<b>Funds</b>"),</p>

	<p><u>Advertisement restrictions :</u> The SFA prohibits the publishing or dissemination of advertisement referring to an offer or intended offer of securities, securities based derivatives contracts and units in collective investments, except in certain circumstances. In this regard, certain communications may be made when a preliminary document has been lodged with the MAS, such as the dissemination of information contained in the preliminary document which has been lodged with MAS, to relevant persons (which includes Accredited Investors).</p>	<p>including Funds that are <u>not</u> authorised or recognised by the MAS for offering to retail investors, such as restricted schemes<sup>1</sup>. Funds that are authorised or recognised by the MAS for offering to retail investors are protected under the various regulatory safeguards as described above.</p>
<p>Regulation 16(1)(b) or (b)(a), 17(2), 18A, 19, 20A, 21(2), 26(1)(a), 27A, 34(2), 34A, 35(2) of the Securities and Futures (Licensing and Conduct of Business) Regulations (“<b>SF(LCB)R</b>”)</p>	<p><u>Rules relating to handling of customer’s moneys and assets :</u> Capital markets services (“<b>CMS</b>”) licence holders (including licensed fund managers such as StashAway are required to comply with various statutory rules under the SF(LCB)R, if the CMS licence holder receives moneys or assets belonging to its customers. These rules include: (a) ensuring that customer’s moneys or assets are deposited in a trust or custody account with appropriately licensed financial institutions or custodians and segregated from the moneys or assets belonging to the CMS licence holder or its related corporations, or such other accounts as directed by the customer; (b) conducting due diligence on the suitability of any financial institution or custodian appointed by the licence holder to hold the customer’s moneys or assets; (c) notifying and obtaining acknowledgement from any financial institution or custodian appointed by the licence holder to hold the customer’s moneys or assets that the moneys or assets deposited with the financial institution or custodian are held for the customers of the licence holder; and (d) ensuring that customer’s moneys and assets are not</p>	<p>If you are treated as an Accredited Investor, StashAway is not required to comply with the additional safeguards, when StashAway receives or holds your moneys or assets.</p> <p>However, StashAway does not ordinarily receive or hold any moneys or assets belonging to you in the first place. Your money would be maintained in a consolidated trust account for all our customers and it would be segregated from and not commingled with our own monies.</p> <p>We would arrange for your investments to be purchased through brokers and the holding of your investments would be with appropriately licensed custodians in any case. Further details of these arrangements are set out in</p>

<sup>1</sup> These are schemes that are registered with the MAS for offering to “relevant persons” (which includes Accredited Investors) and/or where the minimum subscription amount is SGD 200,000.

	<p>withdrawn, charged or pledged other than in accordance with the permissible circumstances prescribed under the statutory rules.</p> <p>In addition to the above, the SFR provides for additional safeguards which CMS licence holders have to comply with, when handling moneys and assets belonging to retail customers. Examples of such additional safeguards include the following :</p> <p>(a) any retail customer's moneys or assets that are deposited in an account directed by the retail customer is permissible only if the retail customer has legal and beneficial title in the account, and the account is maintained by specified financial institutions. In comparison, a CMS licence holder may deposit non-retail customer's moneys or assets in any account directed by the non-retail customer (which includes Accredited Investor);</p> <p>(b) CMS licence holders must provide additional disclosures to retail customers where their moneys or assets are commingled in an account with the moneys or assets belonging to other customers of the CMS licence holder and the risks arising from such commingling, any risks to the retail customer if the financial institution becomes insolvent, and the fact that the protection afforded under the laws of the foreign country may be different from that afforded under Singapore law (where the customers' moneys or assets are held with a custodian outside Singapore);</p> <p>(c) CMS licence holders are prohibited from entering into arrangement with retail customers to transfer title in the customer's moneys or assets, unless the transfer is made in connection with the borrowing or lending of the customer's securities;</p> <p>(d) CMS licence holders are prohibited from withdrawing retail customer's moneys or assets to pay for any obligation of the CMS licence holder; and</p>	<p>our Account Opening Agreement.</p> <p>That said, we are not require to provide you with the additional safeguards prescribed for retail customers, e.g. the additional disclosures relating to risks arising from commingling, insolvency or protection afforded in foreign countries.</p>
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<p>Regulation 47DA(3) (a), SF(LCB)R</p>	<p><u>General risk disclosures</u>            CMS licence holders who deal in capital market products (other than futures contracts, leveraged spot FX and OTC FX derivatives contracts) must, prior to opening a trading account for a retail customer, provide the retail customer with written disclosures on the risks of investing in such products, and receive from the retail customer a signed acknowledgement that the retail customer has received and understood the nature and contents of the written risk disclosure.</p>	<p>StashAway is not obliged to provide the statutory risk disclosures when dealing with Accredited Investors.</p>
<p>Regulation 3A(7) for the purposes of paragraphs 5(c), (d) or (e) of the SF(LCB)R</p>	<p><u>Additional safeguards when provisional and temporary representatives deal with retail customers.</u>            Under the SFA, representatives of a CMS licence holder who conduct regulated activities will need to be registered with the MAS as appointed representatives, provisional representatives or temporary representatives.            Broadly speaking, provisional representatives refer to representatives who are given a grace period to pass all applicable exam modules. Temporary representatives are representatives who are registered to conduct regulated activities on behalf of the CMS licence holder on a temporary basis and do not need to pass any exam modules. Appointed representatives are registered full time representatives with the MAS, and are required to pass applicable exam modules, unless exempted.            Any provisional or temporary representative who meets, communicates or corresponds</p>	<p>StashAway is not obliged to ensure that full time appointed representatives are involved in any dealings between provisional / temporary representatives and you, if you are treated as an Accredited Investor.</p>

	with retail customers are required to be accompanied by appointed representatives, or keep appointed representatives copied in any written correspondence with retail customers.	
Regulation 7(3) of SF(LCB)R	<p><u>Compensation from statutory security deposit available to retail customers</u></p> <p>CMS licence holders who deal in capital market products are required to lodge a security deposit with the MAS, which can be used for compensating retail customers who suffer pecuniary loss as a result of any defalcation committed by the CMS licence holders.</p>	<p>The use of the security deposit for compensation however does not apply to Accredited Investors who suffer pecuniary losses.</p> <p>In any case, StashAway has not been required by the MAS to lodge a security deposit with the MAS, even in respect of its retail customers.</p>
Regulation 13B(4)(b)(ii), SF(LCB)R	<p><u>Independent custody for assets under management</u></p> <p>CMS licence holders for fund management are required to ensure that assets under management are segregated from the proprietary assets of the CMS licence holder and that of its related corporations or connected persons, and maintain them in a trust or custody account.</p> <p>This requirement does not apply where the assets under management comprise : (a) capital markets products that are not listed for quotation or quoted on an organised market; and/or (b) interest in closed end fund where the closed end fund is to be used for private equity or venture capital investments and interests in the closed end fund are offered only to Accredited Investors or institutional investors, or both.</p>	<p>Where the assets under management comprise interests in closed end funds for private equity or venture capital investments, and interests in the funds are offered to retail investors, the CMS licence holder cannot enjoy the abovementioned exemption, and will need to ensure that the assets under management are segregated and held in a trust or custody account.</p> <p>StashAway does not rely on this exemption in any case. See above on StashAway's arrangements relating to custody of assets.</p>
Regulation 33(3), SF(LCB)R	<p><u>Risk disclosure and consent for lending of customer's specified products</u></p> <p>CMS licence holders must, prior to lending or arranging for a custodian to lend specified products (such as securities, securities based derivatives contracts or units in collective investment schemes) belonging to</p>	Where StashAway lends or arranges to lend specified products belonging to you and you are treated as an Accredited Investor, StashAway is not obliged to provide you with such risk

	<p>a retail customer, explain the risks involved to the retail customer, and obtain the retail customer's written consent to do so.</p>	<p>disclosures or to obtain written consent from you.</p> <p>However, we should highlight that StashAway does not engage in any lending of specified products belonging to you.</p>
<p>Regulation 45(2) or (7), SF(LCB)R</p>	<p><u>Collateral and written agreements for borrowing customer's specified products</u>            CMS licence holders that borrow specified products (such as securities, securities based derivatives contracts and units in collective investment schemes) from an owner ("<b>lender</b>") of those products are required to : (a) record the terms of the borrowing in a written agreement which must contain prescribed particulars; and (b) provide to the lender, minimum collateral of a value not less than 100% of the market value of the specified products. The regulation also prescribes acceptable forms of collateral for the foregoing purposes.</p>	<p>Where StashAway borrows specified products from you and you are treated as an Accredited Investor, StashAway is not obliged to comply with the collateral requirements. Further, where we do provide collateral to you, the written agreement shall specify whether the specified products borrowed and the assets provided are marked to market, and if so, the procedures for calculating the margin. However, unlike for retail customers, the agreement does not have to include the requirement to mark-to-market on every business day the specified products that are borrowed or the minimum collateral and the procedures for calculating the margins.</p> <p>However, we should highlight that StashAway does not engage in the borrowing of specified products belonging to you.</p>
<p>Regulation 40(1A)(b), SF(LCB)R</p>	<p><u>Provision of statement of accounts</u>            CMS licence holders are required to furnish customers with monthly and quarterly statement of account that contains</p>	<p>Where you are treated as an Accredited Investor, StashAway is exempt from complying with the</p>

	<p>particulars as prescribed under regulation 40(2) of the SF(LCB)R.</p> <p>The types of information required under Regulation 40 of the SFR are as follows: (i) transactions to purchase or sell securities or units in a collective investment scheme entered into by the customer and the price at which the transactions are entered into; (ii) a list of derivatives contracts entered into by the customer and spot foreign exchange contracts for the purposes of leveraged foreign exchange trading entered into by the customer that are outstanding and have not been liquidated, the prices at which such contracts were acquired, and the net unrealised profits or losses of the customer in all such contracts marked to the market; (iii) the status of every asset in the CMS licence holder's custody held for the customer, including any asset deposited with a third party that is used for the lending of specified products under regulation 33 of the SFR or held as collateral under regulation 34 of the SFR; (iv) the movement of every asset of the customer, the date of and reasons for such movement, and the amount of the asset involved; (v) the movement and balance of money received on account of the customer within the meaning of regulation 15(2) of the SFR; and (vi) a detailed account of all financial charges and credits to the customer's account during the monthly statement period, unless the detailed account of financial charges and credits has been included in any contract note or tax invoice issued by the CMS licence holder to the customer.</p>	<p>requirement to furnish monthly and quarterly statement to you, provided that either :</p> <p>(a) StashAway has made available to you (on a real time basis), the prescribed particulars in the form of electronic records stored on an electronic facility and you have requested in writing not to receive the statement of account, or</p> <p>(b) you have consented in writing not to receive such statements.</p>
<p>Regulation 47A(3)(a)(i), SF(LCB)R</p>	<p><u>Disclosure of interests in specified products recommended to customers</u></p> <p>Where a CMS licence holder has entered into any underwriting or sub-underwriting agreement with respect to specified products (such as securities, securities based derivatives contracts and units in collective</p>	<p>Where you are treated as an Accredited Investor, StashAway is not obliged to disclose any interests that it has arising from any underwriting or sub-underwriting agreement, in</p>

	investment schemes), and offers those specified products, the CMS licence holder must disclose its interests in those specified products arising from the underwriting or sub-underwriting agreement, when offering the specified products to investors.	any specified products offered to you. StashAway does not ordinarily engage in any underwriting activities.
Regulation 4A(6) of the Financial Advisers Regulations (“FAR”)	<u>Additional safeguards when provisional representatives deal with retail customers.</u> Under the Financial Advisers Act (“FAA”), representatives of a licensed or exempt financial adviser who conduct financial advisory services will need to be registered with the MAS as appointed representatives or provisional representative. Broadly, provisional representatives refer to representatives who are given a grace period to pass all applicable exam modules. Appointed representatives are registered full time representatives with the MAS, and are required to pass applicable exam modules, unless exempted. Any provisional representative who meets, communicates or corresponds with retail customers are required to be accompanied by appointed representatives, or keep appointed representatives copied in any written correspondence.	StashAway is not obliged to ensure that full time appointed representatives are involved in any dealings between provisional representatives and you if you are treated as an Accredited Investor.
Regulation 28(1)(b), FAR	<u>Exemptions from licensing and standards of conduct for advising on bonds.</u> A corporation (not being a licensed or exempt financial adviser), which carries on the business of advising Accredited Investors on bonds, are exempt from holding a financial adviser’s licence. Licensed and exempt financial advisers are exempt from having to comply with certain conduct of business rules under sections 26 to 29 and 36 of the FAA when advising Accredited Investors on bonds. Briefly: (a) Section 26 of the FAA imposes an obligation on financial advisers not to make any false or misleading	Where you are treated as an Accredited Investor and in the event that StashAway provides any financial advice to you on bonds, StashAway, as an exempt financial adviser, will not be obliged to comply with Sections 26 to 29 and 36 of the FAA.



	<p>statement or to employ any device, scheme or artifice to defraud.</p> <p>(b) Section 27 of the FAA requires financial advisers to ensure there is a reasonable basis for recommending an investment product to a client.</p> <p>(c) Section 28 of the FAA confers MAS the power to prescribe the manner in which financial advisers may receive or deal with client's money or property.</p> <p>(d) Section 29 of the FAA imposes an obligation on financial advisers to furnish information about any matter related to its business to the MAS if required by MAS for the discharge of its functions under the FAA.</p> <p>(e) Section 36 of the FAA obliges financial advisers to disclose any interests held, when financial advisers send circulars or other written communication in which recommendation on any securities, securities based derivatives contracts or units in collective investment schemes is made.</p>	
<p>Regulation 32C(1)(d), FAR</p>	<p><u>Financial advisers to take responsibility for research reports issued by foreign research houses</u></p> <p>Foreign research houses are exempt from licensing requirements under the FAA, when issuing or promulgating research analyses or reports to investors in Singapore, under an arrangement with a licensed or exempt financial adviser in Singapore.</p> <p>As additional safeguard for retail investors, the regulations provide that the licensed or exempt financial adviser in Singapore must accept full responsibility on the reports / analyses issued by the foreign research house, where the reports are distributed to retail investors.</p>	<p>Where you are treated as an Accredited Investor, and in the event that StashAway issues or promulgates any research analyses or reports to you that are issued by a foreign research house, StashAway is not required to accept full responsibility on the report and you are therefore not protected by such additional safeguard.</p>

<p>Regulation 33(1)(a) or (2), FAR</p>	<p><u>Disclosure of material information to retail customers</u>          Licensed and exempt financial advisers are required to comply with certain disclosure requirements prescribed under Section 25 of the FAA and the attendant MAS notices (such as the MAS Notice on Information to Clients and Product Information Disclosure (FAA-N03). Briefly, Section 25 imposes an obligation on a financial adviser to disclose to its clients all material information relating to any designated investment product recommended by the financial adviser, and prescribes the form and manner of disclosure. Material information includes terms and conditions of the product, benefits and risks, costs and expenses, name if the manager of the collective investment and relationship with the licensed or exempt financial adviser in question.<sup>2</sup>          The MAS Notice on Information to Clients and Product Information Disclosure (FAA-N03) sets out the standards to be maintained by a financial adviser and its representatives with respect to information disclosed to clients.</p>	<p>Where you are treated as an Accredited Investor, and in the event that StashAway recommends any investment product or provides any other financial advice to you, StashAway is not obliged to comply with these specific statutory disclosure requirements.</p>
<p>Regulation 34(1)(a) or (2), FAR</p>	<p><u>Reasonable basis for recommending investment products to retail customers</u>          Licensed and exempt financial advisers are required to comply with certain rules and standards when recommending any investment product to a client, as prescribed under Section 27 of the FAA and the attendant MAS notices (such as the MAS Notice on Recommendations on Investment Products (FAA-N16)).          Briefly, Section 27 requires financial advisers to have reasonable basis when recommending any investment product to a client, taking into account the investment</p>	<p>Where you are treated as an Accredited Investor, and in the event that StashAway recommends any investment product to you, StashAway is not required to comply with the rules and standards as described.          Further, you will also not be entitled to file a civil claim against StashAway for any losses that you have suffered in respect of any investment</p>

<sup>2</sup> For more information, please refer to section 25 of the FAA, the Notice on Information to Clients and Product Information Disclosure (FAA-N03); Practice Note on the Disclosure of Remuneration by Financial Advisers (FAA-PN01), Notice on Dual Currency Investments (FAA N-11), Guidelines on Structured Deposits (FAA-G09)

	<p>objectives, financial situation and particular needs of the client. A client is entitled to file a statutory civil claim against the financial adviser for losses suffered by the client in reliance of any recommendation made by the financial adviser in breach of Section 27, provided that it was reasonable for the client to have relied on the commendation in question.</p> <p>The MAS Notice on Recommendations on Investment Products sets out prescriptive requirements which apply to financial advisers when recommending investment products to clients who are individuals. The requirements include collecting relevant information from the client as part of the “know your client” process and conducting customer knowledge assessment to ascertain the client’s investment knowledge and experience.</p>	<p>product that we may recommend to you.</p>
<p>Regulation 34A(1)(d)(i), FAR</p>	<p><u>Balance scorecard remuneration framework and independent sales unit for representatives who provide financial advice to retail customers</u></p> <p>Licensed and exempt financial advisers are required to establish and maintain a remuneration framework for the purpose of reviewing and assessing the performance of representatives and their supervisors, and determining their remuneration. The framework must comply with certain criteria and requirements prescribed by the MAS pursuant to Section 38 and the MAS Notice on Requirements for Remuneration Framework for Representatives and Supervisors (FAA-N20) and the MAS Guidelines on the Remuneration Framework for Representatives and Supervisors, Reference Checks and Pre-Transaction Checks.</p> <p>The Notice prescribes requirements on the design and operation of the balanced scorecard framework which licensed and exempt financial advisers must implement in the remuneration for their representatives</p>	<p>Where you are treated as an Accredited Investor, StashAway is not, in connection with any financial advisory services provided by StashAway’s representatives to you, required to establish or maintain the remuneration framework for these representatives and their supervisors, review and assess these representatives and their supervisors for the purpose of determining their remuneration and set up an independent sales unit in accordance with the prescribed statutory requirements as described.</p>

	<p>and supervisors and the independent sales unit (see below). The Guidelines set out measures to be applied to representatives and supervisors who have been assigned grade E and unsatisfactory respectively under the balanced scorecard framework.</p> <p>Licensed and exempt financial advisers are also required to set up an independent sales audit unit which is independent from all units that provide financial advisory services. The independent sales unit will be responsible for auditing the quality of financial advisory services provided by the representatives.</p>	
Regulation 35(1)(a)(ii) or (2), FAR	<p><u>Disclosure of interests in any securities recommended to retail customers</u></p> <p>Section 36 of the FAA obliges financial advisers to disclose any interests held, when financial advisers send circulars or other written communication in which recommendation on any securities, securities based derivatives contracts or units in collective investment schemes is made.</p>	<p>Where you are treated as an Accredited Investor and StashAway sends any circulars or written communication to you in which StashAway recommends any securities, securities based derivatives contracts or units in collective investment schemes, StashAway is not statutorily obliged to disclose any interest it has in those products to you.</p>
Regulation 18B(9) of the FAR	<p>Prior to selling or marketing certain new products, licensed and exempt financial advisers are required to carry out due diligence exercise to ascertain whether the new product is suitable for targeted retail clients. The due diligence exercise must include an assessment of the type of targeted clients that the new product is suitable for and whether the new product matches the client base of the licensed and exempt financial adviser, the key risks of the product for the targeted clients and the processes that will be put in place for representatives to ascertain if the new product is suitable for the targeted client.</p> <p>Licensed and exempt financial advisers cannot market or sell the new product to the</p>	<p>Where you are treated as an Accredited Investor, StashAway is not obliged to carry out due diligence exercise to ascertain whether any new product we sell or market to you is suitable for you in accordance with the requirements as described.</p>

	targeted clients, unless members of senior management have satisfied themselves, based on the results of the due diligence exercise, that the new product is suitable for the targeted client and have approved the sale and marketing of the new product to the targeted client.	
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