

CMFAS Module 4A – Rules and Regulations For Advising On Corporate Finance

Summary of Updates (September 2013 – version 2)

The study guide for CMFAS 4A has been updated in line with recent changes to the rules and regulations for advising on Corporate Finance. The revised study guide will be available from 30 September 2013. Candidates registered to take the CMFAS M4A examination **from 16 October 2013 onwards** will be tested based on the revised study guide.

The updates made to the CMFAS Module 4A (September 2013 – version 2) are summarized as follows:

Chapter	Title	Summary of changes
Table of Contents		New / updated sections & chapters highlighted
1	The Regulatory Bodies	<p>New Sections: 1.3 Singapore Investment Council (SIC)</p> <p>Updates in the following Sections: 1.1 Monetary Authority of Singapore (MAS) 1.2 Singapore Exchange Limited (SGX)</p>
2	SFA & Regulations	<p>New Sections: 2.3 Disclosure of Interest in Securities 2.3.3 Registration Criteria for Holders of Capital Market Services Licences and its Representatives Glossary of Terms Used in Appendix 1 – Shares and Debentures Glossary of Terms Used in Appendix 1 – Collective Investment Scheme (CIS) Glossary of Terms Used in Appendix 3 – Business Trust (BT)</p> <p>Updates in the following sections: 2.1.1 Introduction 2.1.2 Relevant Provisions and Rationale 2.2.1 Public Offers of Investments in Singapore Under the SFA 2.2.2 Offers of Securities 2.2.2.1 What constitutes an ‘Offer’ 2.2.3 The Prospectus Requirements 2.2.4 Exemptions from Prospectus Requirements 2.2.5 Advertisements 2.3.2 Specific Disclosure Requirements for Holders of Capital Market Services Licences 2.4.1 Insider Trading 2.4.1.1 Defence and Exceptions</p>

Chapter	Title	Summary of changes
		<p>2.4.2 Market Rigging and Manipulation</p> <p>2.4.3 Civil Penalty</p>
3	Singapore Code on Take-Overs and Mergers	<p>Updates in the following Sections:</p> <p>3.2 Compliance with the Code</p> <p>3.4.1.2 Mandatory Offer - Conditions</p> <p>3.4.2.1 Voluntary Offer - Conditions</p> <p>3.5 Concert Parties</p> <p>3.6.2.2 By Offeree</p> <p>3.6.4 Independent Advice</p> <p>3.6.5 Break Fees</p> <p>3.7.4.1 Dealings by Parties and their Respective Associates for themselves or for Discretionary Clients</p> <p>3.7.5.3 Nature of Information</p> <p>3.7.5.5 Advertisements</p> <p>3.7.5.9 No Special Deals</p> <p>3.7.5.10 Appointment to the Board of the Offeree</p> <p>3.8 Offer Timetable – Key Dates</p> <p>3.11 Whitewash Waiver</p>
4	SGX-ST Listing and Disclosure Requirements	<p>New Sections:</p> <p>4.1.2.7 Life Sciences Companies</p> <p>4.1.3.3 Directors and Management</p> <p>4.1.3.5 Restriction on Promoters' Sale of Shares</p> <p>4.1.3.6 Financial Position and Liquidity</p> <p>4.1.3.7 Chain Listing</p> <p>4.1.3.8 Articles of Association</p> <p>4.1.3.9 Accounts</p> <p>4.1.3.10 Lodgement and Registration of Offer Document</p> <p>4.1.3.11 Undertaking – No Exempt Offer</p> <p>4.1.3.12 Written Consents</p> <p>4.1.8.4 Period of Moratorium (Catalist Issuers)</p> <p>4.2.1.5 Contents of Trust Deed</p> <p>4.2.1.6 Singapore Dollar (S\$) Equity and Bond Issuance</p> <p>4.4.1.4 Real Estate Investment Trust (REIT)</p> <p>4.4.1.5 Exchanged Traded Fund (ETF)</p> <p>4.4.1.7 Hedge Fund</p> <p>4.4.1.7.1 Modifications pursuant to Rule 414</p> <p>Updates in the following sections:</p> <p>4.1.1 General Requirements</p> <p>4.1.2 SGX Mainboard Listings</p> <p>4.1.2.1 Shareholding Spread and Distribution</p> <p>4.1.2.2 Quantitative Criteria and Profit Test</p> <p>4.1.2.3 Financial Position and Liquidity</p> <p>4.1.2.4 Directors and Management</p> <p>4.1.3 SGX Catalist Listings</p>

Chapter	Title	Summary of changes
		<p>4.1.3.1 Shareholding Spread and Distribution</p> <p>4.1.3.2 Quantitative Criteria</p> <p>4.1.3.4 Sponsorship</p> <p>4.1.4 Transfer from SGX Catalist to SGX Mainboard</p> <p>4.1.4.1 Conditions</p> <p>4.1.5 Methods of Offering</p> <p>4.1.5.1 General</p> <p>4.1.5.2 Restrictions on Methods of Offering</p> <p>4.1.5.3 Preferential Allotment of Reserved Securities</p> <p>4.1.7 Conflict of Interests</p> <p>4.1.7.1 Types of Conflict Situations</p> <p>4.1.7.2 Factors to Determine the Existence of Conflicts of Interests</p> <p>4.1.8.1 Purpose of Moratorium</p> <p>4.1.8.2 Moratorium Undertakings</p> <p>4.1.8.3 Period of Moratorium (Mainboard Issuers)</p> <p>4.2.1.2 Release of Reports</p> <p>4.2.1.4 Trustee and Trust Deed</p> <p>4.2.2 Listing Requirements for Local Debt Securities</p> <p>4.2.3 Listing Requirements for Foreign Debt Securities</p> <p>4.2.4 Listing Procedures in respect of Submission for Debt Securities</p> <p>4.2.5 Continuing Listing Obligations</p> <p>4.3 Listing Requirements for Foreign Issuers of Securities</p> <p>4.3.1 Share Transfer Facilities</p> <p>4.3.2 Accounting Standards</p> <p>4.3.3 Resident Director</p> <p>4.4.1 Listing Requirements for Investment Funds</p> <p>4.5.1 Disclosure Obligations under the Listing Manual</p> <p>4.5.2 Compliance with the CG Code</p> <p>4.5.3 Provisions of Appendix 7.1 of the Listing Manual</p> <p>4.5.4 Exceptions to the Disclosure Obligations</p> <p>4.5.5 Examples of the Operation of the Disclosure Obligations</p> <p>4.5.6 Confidentiality</p> <p>4.5.7 Clarification or Confirmation of Rumours or Reports</p> <p>4.5.8 Unusual Trading Activity</p> <p>4.5.9 Policy on Thorough Public Dissemination</p> <p>4.5.10 Content and Preparation of Public Announcement</p> <p>4.5.10.2 Guidelines</p> <p>4.5.11 Policy on Insider Trading</p> <p>4.5.12 Role of Market Surveillance</p>

Chapter	Title	Summary of changes
5	Public Listing of Companies	<p>New Sections:</p> <ul style="list-style-type: none"> 5.2.4 Concurrent Review Process 5.3.4 Liability for the Prospectus <ul style="list-style-type: none"> 5.3.4.1 General 5.3.4.2 Criminal Liability under Section 253 of the SFA 5.3.4.3 Civil Liability under Section 254 of the SFA 5.3.5 Defences to Prospectus Liability <ul style="list-style-type: none"> 5.3.5.1 Due Diligence Defence 5.3.5.2 Reasonable Reliance Defence 5.3.5.3 New Circumstance 5.3.5.4 Public Withdrawal 5.3.5.5 Other Liabilities 5.3.6 Other Sources of Prospectus Liability <p>Updates in the following sections:</p> <ul style="list-style-type: none"> 5.1 Introduction 5.2 Initial Public Offering and Listing Process <ul style="list-style-type: none"> 5.2.1 Appointment of Issue Manager and other Advisors 5.2.2 Prepare the Listing Application 5.2.3 Submit the Listing Application to the SGX-ST <ul style="list-style-type: none"> 5.2.3.2 Time Schedule 5.2.3.3 The Listing Application 5.2.3.4 Documents to be Submitted After Approval In-Principle but Before the Prospectus is Issued 5.2.3.5 Documents to be Submitted on or Before the Closing Date of the Offering, or after Issue of the Prospectus 5.2.3.6 Documents to be Submitted Before Trading Commences 5.2.5 Lodgment and Registration of the Prospectus 5.2.6 Supplementary or Replacement Documents <ul style="list-style-type: none"> 5.2.8.1 Supplementary or Replacement Documents 5.2.8 Timeline for Initial Public Offerings and Listing on the SGX-ST Mainboard 5.3.1.2 Extent of Duty Under Section 243(1)(a) of the SFA 5.3.2 Matters Prescribed by the MAS 5.4 Pros and Cons of a Public Listing <ul style="list-style-type: none"> 5.4.1 Pros 5.4.2 Cons 5.5 Changes in Capital – Raising Capital by Issuing Shares Through Post Listing <ul style="list-style-type: none"> 5.5.1 Rights Issue 5.5.2 Placement of Shares 5.5.3 Bonus Issue 5.5.4 Issue of Company Warrants and Other Convertible Securities

Chapter	Title	Summary of changes
		5.5.4.2 Class of Warrants 5.5.4.3 Terms of Issue 5.5.4.5 Information Required in Circular or Notice to Shareholder 5.5.5 Additional Listing Application
Appendix A	Review Questions	Updated to match revised study guide. True-False questions have been removed.
Appendix B	Essential Readings	References for updated Regulations from MAS & SGX