

Notice No : SFA04-N12 (Amendment) 2015
Issue Date : 29 April 2015

NOTICE ON THE SALE OF INVESTMENT PRODUCTS

Introduction

1 This Notice is issued pursuant to section 101 and section 293 of the Securities and Futures Act (Cap. 289) and amends the Notice on the Sale of Investment Products [Notice No. SFA04-N12] (the “Notice SFA04-N12”).

Amendments

2 The Notice SFA04-N12 dated 28 July 2011 and last revised on 11 December 2012 is hereby amended by deleting paragraph 1(g) of Annex 1 and substituting the following paragraph:

“(g) any unit in a collective investment scheme, where the constitutive documents of the scheme contain covenants that bind the manager of the scheme, or where the prospectus of the scheme or any document issued in connection with an offer of units in the scheme (being an offer that is not required to be made in or accompanied by a prospectus under section 296(1) of the Act), contains restrictions that bind the manager of the scheme (collectively “CIS documents”):

- (i) to invest only in:
 - (A) deposits;
 - (B) gold, including gold certificates, gold savings accounts and physical gold;
 - (C) any product specified in paragraphs (a) to (j) in this Annex;
 - (D) any product not specified in paragraphs (a) to (j) in this Annex and such investment is solely for the

purpose of hedging or efficient portfolio management;
or

- (E) any product specified in sub-paragraphs (i)(A), (B), (C) or (D) and in addition, the CIS documents also provide that the manager of the scheme may invest in any product not specified in sub-paragraphs (i)(A), (B), (C) or (D) if such investment is solely to comply with any applicable written law, regulations, directions, rules or non-statutory instrument of the jurisdiction where the scheme is constituted, operating or investing, which restricts or prohibits the manager of the scheme from investing in the products specified in sub-paragraphs (i)(A), (B), (C) or (D); and
- (ii) not to engage in securities lending or repurchase transactions for the scheme, except where such securities lending or repurchase transaction are carried out solely for the purpose of efficient portfolio management and do not amount to more than 50% of the net asset value of the scheme;

For the avoidance of doubt, should the manager of a collective investment scheme invest in any product not specified in sub-paragraphs (i)(A), (B), (C) or (D), this unit in a collective investment scheme will not be an Excluded Investment Product;”

Commencement

3 This Notice shall take effect on 29 April 2015.