

The Monetary Authority of Singapore's Regulatory Agenda for the Asset Management Industry in Singapore (2018)

A snapshot of items on the regulatory "priority list" for 2018 and key regulatory developments on the horizon.

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The Monetary Authority of Singapore (MAS) highlighted certain key regulatory priorities for the asset management industry at an Investment Management Association of Singapore forum on 09 February 2018. The consistent theme underpinning the MAS' regulatory agenda continues to be facilitating the growth of the local asset management industry while ensuring its long term resilience. Set out below is a snapshot of this "priority list".

New Guidelines on Liquidity Risk Management

The new Guidelines will be issued in March or April 2018. [See here for our earlier update on the Guidelines proposed on 26 October 2017.](#)

New Singapore Variable Capital Company Framework (S-VACC)

Inter-agency work on the S-VACC is ongoing particularly on the tax framework, operational details, and the development of a fund registration system. Alongside this, the MAS continues pursuing complementary initiatives to boost the local funds ecosystem including enhancing market access for Singapore-domiciled funds through bilateral mutual recognition and multilateral passporting, and strengthening the network of local fund managers, administrators, custodians and other service providers. [See here for our earlier update on the on the new open-ended corporate structure for funds in Singapore proposed on 23 March 2017.](#)

Supervising culture and conduct

In 2018 and beyond, starting with the larger fund managers, the MAS is reviewing how managers embed desired culture and conduct in their day to day decision making and operations. The MAS will share best practices from its initial review, where appropriate.

Further, on the back of persisting ethical failures, we expect that restoring trust in the financial industry will remain at the forefront of MAS' policy, supervisory and enforcement agenda. The MAS observed generally that global regulators have stepped up their focus on potential malpractices that could cause investor harm.

Cybersecurity and Technology Risk Management

The MAS is updating its Technology Risk Management Guidelines (dated June 2013) to keep it current, including providing specific guidance on cyber security operations, surveillance, assessment and exercises, and outlining risk management principles that are relevant to new technologies (eg open application programming interfaces, cloud and virtualisation). The revised Guidelines will likely raise expected risk management standards for all managers, especially for fund managers that rely heavily on technology to generate trading strategies, manage clients' portfolios or distribute products.

The priority list above is clearly not exhaustive. Certain other key regulatory developments on the horizon that we expect will likely be implemented in 2018 include a new Outsourcing Notice and various wide-ranging amendments to the Securities and Futures Act.

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