WEDNESDAY SEPTEMBER 23, 2015 SINCE 1845

THE STRAITS TIMES

Home Music ending for last HMV outlet here B1

Life De Niro the comedian D5

World Migrants in Germany tell their stories A10&11

Life Child star all grown up D4

Top of the News Lenders bypassing car loan rules A3 • **Business** ADB sees slower growth for Asia C4

MAS beefs up safeguards for retail investors

New rules will apply to non-conventional products such as gold buyback schemes

Lorna Tan
Senior Correspondent

Retail investors are to get a boost in protection with new rules for previously unregulated investments linked to gold and other physical assets such as land.

Scores of investors here have been burned, for instance, by gold investment schemes offering to buy back the metal at a fixed price.

Another key change will allow greater flexibility for accredited investors – those meeting elevated wealth or income levels – to decide on the level of regulatory protection they want to be accorded.

The Monetary Authority of Singapore (MAS) unveiled the planned regulatory tweaks yesterday after a consultation paper last year.

It said regulatory safeguards should protect investors in non-conventional products in the same way as in capital market products like shares. The non-conventional products will be regulated.

For example, arrangements involving gold, silver and platinum with guaranteed buybacks at an agreed price will be regulated.

Companies offering such products will need to be registered with MAS.

Collective investment schemes (CIS) intended for retail investors will first need to be authorised or recognised by MAS, and a prospectus registered, unless exempted. These schemes will be restricted to investments in securities or other liquid assets – such as precious metals – or with stable income potential such as completed real estate.

MAS said the question of whether a land-banking scheme would be regulated when the proposals are implemented will depend on the business model of the scheme.

The expanded CIS regulations may mean some schemes can no longer solicit funds from the public. But scheme operators will be able to rely on existing exemptions to solicit funds – from more sophisticated investors, for instance.

Arrangements in place before the legislative changes will not be affected unless more funds are raised from retail investors after the new laws are implemented.

MAS said the legislation would go to Parliament next year.

Giving the thumbs up, Consumers Association of Singapore (Case) executive director Seah Seng Choon said the measures are "long overdue". He said that with these safeguards in place, promoters of such collective investments would be made to account for their claims.

Mr David Gerald, president and chief executive of the Securities Investors Association Singapore (Sias), said many Singaporeans had been caught without recourse in scams involving gold schemes and similar CIS involving land and property. "The move to have more of these investments regulated will hopefully bring peace of mind to investors and enhance the protection of investors in these investments."

Under the changes, financial institutions will have to treat new customers eligible to be accredited investors as retail investors by default, unless they choose to "opt in" – such as those who wish to retain easier access to a wider range of complex, risky products.

Sias, Case and MAS caution retail investors to continue to be vigilant even with these safeguards.

"Consumers have to bear in mind that such collective investments come with high risk. Consumers who are not comfortable with such risk should not get involved," said Mr Seah.

MAS is still reviewing feedback on the remaining proposal to introduce a framework to rate retail investment products on their complexity and risk, and will issue a separate public response later.

Accredited investors include those with net personal assets above $2 million or with income in the preceding 12 months not less than $300,000.

lornatan@sph.com.sg

GREATER PROTECTION FOR INVESTORS

Collective investment schemes intended for retail investors will first need to be authorised or recognised by MAS, and a prospectus registered, unless exempted. These schemes will be restricted to investments in securities or other liquid assets – such as precious metals – or with stable income potential such as completed real estate.

8 887181 200007
106 PAGES IN SEVEN PARTS
90 CENTS
To subscribe: 6388-3838
sphsubscription.com.sg
sph A Singapore Press Holdings publication
MCI (P) 032/02/2015 ★★

Briton Yogvitam Pravin Dhokia is accused of acting rashly to endanger the personal safety of the F1 drivers involved in Sunday's Singapore Airlines Singapore Grand Prix race, near Turn 13 along Esplanade Drive. No one posted bail of $15,000 for him yesterday. ST PHOTO: WONG KWAI CHOW

Briton charged over F1 track invasion

Elena Chong
Court Correspondent

The man who walked across the race track during the Singapore Airlines Singapore Grand Prix was charged with committing a rash act yesterday.

No plea was taken from Briton Yogvitam Pravin Dhokia, 27, who is burly and about 1.85m tall.

He is accused of acting rashly to endanger the personal safety of the Formula One drivers involved in the race near Turn 13 along Esplanade Drive at about 9pm on Sunday.

Closed-circuit TV camera footage released hours after the race showed a man entering via a gap in the fence. He sauntered across the track and scampered to the other side when race leader Sebastian Vettel's Ferrari emerged from the turn. He then climbed back over the barrier.

Deputy Public Prosecutor Marshall Lim sought a short adjournment to finalise investigations. He said Dhokia may face fresh charges.

No one posted bail of $15,000 for him yesterday.

His bailor must be either a Singaporean, permanent resident or consular officer from the British High Commission.

Now unemployed, Dhokia said the bail sum was too high for him and that he had spent all his savings on tickets and did not have that kind of money. He was allowed to make one local phone call.

Asked by District Judge Ronald Gwee if the embassy had been informed, the prosecutor said "yes".

A spokesman for the British High Commission in Singapore confirmed the arrest of a British national in Singapore.

He said: "We stand ready to provide consular assistance."

Dhokia's passport has been impounded. His case will be mentioned on Oct 6. If convicted, he could be jailed for up to six months and/or fined up to $2,500.

elena@sph.com.sg