

DETAILED SCHEDULE: REGULATORY REQUIREMENTS THAT THE BANK NEED NOT APPLY TO ACCREDITED INVESTORS (“AI”)

When the Bank deals with you as an AI, we are exempt from complying with certain regulatory requirements of the FAA, the SFA and related regulations. This is a detailed summary of the regulatory requirements that AI clients **DO NOT** have the protection of.

We do comply with some of these requirements on a voluntary basis. They are described below in *Part 2: Voluntary Measures Undertaken by the Bank*.

Please refer to the Glossary for an explanation of technical terms or acronyms used here.

Whenever any relevant laws or regulations change, we will publish the updates on our website at <https://www.sc.com/sg/wealth/accredited-investor/>.

Part 1: Exempted Requirements

A.	Sales and Advisory Process
A1.	<i>Recommendation standards under FAA s.27 and FAA-N16.</i> Summary: In dealing with you as an AI client, we are <u>not required</u> to: (i) consider information in our records concerning your investment objectives, financial situation and particular needs; (ii) conduct investigation on the investment product that is the subject matter of the recommendation; (iii) ensure that the recommendation is appropriate based on such consideration and investigation; or (iv) conduct a CKA or CAR to determine your investment experience and knowledge (for clients that are natural persons). Further, you will <u>not</u> be able to rely on FAA s.27 in any claim against us for losses suffered in respect of any investment recommendation. FAA s.27 requires us to have a reasonable basis for any recommendation made to a non-AI client on an investment product. We must: (i) consider the investment objectives, financial situation and particular needs of the non-AI client, and (ii) conduct investigation on the investment product that is the subject matter of the recommendation, as is reasonable in all the circumstances. FAA-N16 sets out the requirements which apply when we make recommendations to our clients, including: (i) the type of client information we need to gather as part of the “know your client” process; (ii) the way we should conduct our analysis of the client’s financial needs and how we should present our investment recommendations; and (iii) the documentation and record keeping requirements relating to this process. In addition, before making any recommendation on an investment product that is neither listed nor quoted on a securities or futures market, we must ensure that we have been informed by the product manufacturer if the investment product is a SIP. We must keep proper records of such information and convey this information to a non-AI client who intends to transact. If an investment product is an unlisted or unquoted SIP, we are also required to conduct a CKA for the non-AI client prior to making a recommendation on such investment product. The CKA takes into account the non-AI client’s educational qualifications, investment experience and work experience. Depending on the non-AI client’s CKA result, we must comply with various procedures, including providing financial advice and/or obtaining senior management approvals before recommending a product a non-AI client does not have knowledge or experience in. When we deal with you as an AI, we are not required to conduct a CKA for you.
A2	<i>Exemption for foreign research houses under FAR Reg.32C.</i>

	Summary: We are <u>not required</u> to expressly accept legal responsibility for the contents of any research analysis or research report issued to you pursuant to an arrangement between us and a foreign research house. We can include a disclaimer limiting such legal responsibility. FAR Reg.32C exempts a foreign research house from having to hold a FA's licence in respect of advising investors by issuing or promulgating any research analyses or research reports concerning any investment product under an arrangement between the foreign research house and a FA in Singapore, subject to certain conditions. These include a particular condition that where the research analysis or research report is issued to a person who is not an AI, expert investor or institutional investor, the document must contain a statement to the effect that the FA in Singapore accepts legal responsibility for the contents of the document, without any disclaimer limiting or otherwise curtailing such responsibility.
B.	Product Processes and Documentation
B1.	<i>Prospectus exemptions under SFA s.275 and s.305.</i> Summary: You <u>may</u> be offered Specified Products <u>as an AI client</u> that are not available to non-AI clients. The issuer and/or offeror is exempted from the prospectus requirements under Part XIII of the SFA. Accordingly: (i) the issuer and/or offeror is <u>not required</u> to ensure that all offers of these Specified Products are accompanied by a prospectus that is registered with the MAS and which complies with the prescribed content requirements. (ii) the issuer and/or offeror is <u>not subject</u> to the statutory prospectus liability under the SFA. (iii) you will <u>not</u> be able to seek compensation from certain parties for any false or misleading statement, or omissions, in the prospectuses even if you suffer losses. An offer of a Specified Product usually needs to be accompanied by a prospectus lodged and registered with the MAS which complies with prescribed prospectus content requirements. The SFA provides for criminal liability for (i) false and misleading statements, (ii) omissions of required information, or (iii) any failure to update in respect of new circumstances arising after the prospectus has been lodged. In addition, certain parties, including the offeror, the issuer, the issue manager and the underwriter, may be required to compensate any person who suffers loss or damage because of such statement in, or omission from, the prospectus (even if such parties were not involved in the making of the statement or omission). When we deal with you as an AI, we may offer you Specified Products that are not in compliance with these prospectus registration requirements.
B2.	<i>Restrictions on advertisements under SFA s.251 and s.300.</i> Summary: You <u>may</u> receive marketing materials on an offer or intended offer of Specified Products containing information which is found in a preliminary offer document that has been lodged with the MAS. SFA s.251 and s.300 prohibit any advertisement or publication referring to an offer or intended offer of any Specified Products from being made, except for certain communications. Exempted communications, which may include the dissemination of material contained in a preliminary document lodged with the MAS, are those directed to institutional investors and relevant persons (including AIs) under SFA s.251(3), s.251(4)(a), s.300(2A) and s.300(2B)(a).
C	Bank Operations
C1.	<i>BSC Framework under FAA s.38 and s.39, BSC Notice and BSC Guidelines.</i> Summary: The BSC Framework is <u>not applicable</u> to our sales staff who deal with AI clients. In respect of these staff, we are <u>not required</u> to: (i) establish or maintain a remuneration framework compliant with the BSC Guidelines; (ii) review and assess the performance, and determine and pay the remuneration, of our representatives and supervisors in accordance with such a remuneration framework; or

	(iii) have an independent sales audit unit to audit the quality of the financial advisory services provided by our representatives. FAA s.38 requires us to establish and maintain a remuneration framework consistent with the MAS' requirements for (a) reviewing and assessing the performance of our representatives and supervisors; and (b) determining the remuneration of our representatives and supervisors. We must then review and assess the performance, and determine and pay the remuneration, of our representatives and supervisors in accordance with such remuneration framework. FAA s.39 requires us to have an independent sales audit unit that reports to our board of directors and chief executive officer or such unit determined by the board of directors or chief executive officer which is independent from all of our financial advisory services units. Such independent sales audit unit is required to audit the quality of the financial advisory services provided by our representatives and to carry out the functions and duties prescribed by the MAS. We are not required to adhere to the BSC Framework in the remuneration structure for our sales staff who only serve AI clients.
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Part 2: Voluntary Measures Undertaken by the Bank

We adhere to the following requirements regardless of a client's status. This means that even as an AI client you receive the benefit of the following:

A.	Sales and Advisory Process
A1.	<i>Obligation to disclose material product information to clients under FAA s.25 and FAA-N03</i> Summary: In dealing with you as an AI client, we are not required to provide you with all material information on a designated investment product in the prescribed form and manner. FAA s.25 requires us to disclose to our non-AI clients all material information relating to any designated investment product that is recommended. "Material information" of the designated investment product includes (i) the terms and conditions, and (ii) the benefits and risks that may arise. FAA-N03 sets out standards to be maintained by us and our representatives regarding information that we disclose to non-AI clients. The notice also sets out the general principles that apply to all client disclosures by us and the specific requirements as to the form and manner of such client disclosures (e.g. the benefits and risks, and the illustration of past and future performance, of the designated investment product). <u>Voluntary Measure</u> We provide the material product information in the prescribed form and manner to all clients.
A2.	<i>Licensed FA to disclose certain interests under FAA s.36.</i> Summary: In dealing with you as an AI client, we are <u>not required</u> to include a statement in respect of our interest in Specified Products in any written recommendation that we send to you. FAA s.36 provides that when sending a circular or other written communication in which a recommendation is made in respect of Specified Products: (i) we are required to include a concise statement of the nature of any interest in, or any interest in the acquisition or disposal of, those Specified Products that we or any associated or connected person has at the date on which the communication is sent; (ii) the statement of interest must be in at least as legible type as the rest of the communication; and (iii) a copy of such communication must be retained by us for five years. <u>Voluntary Measure</u>

	We provide a Market Abuse Regulation disclaimer in relevant written communication to all clients.
A3.	<i>Exemption for giving advice or analysis on bonds under FAR Reg.28.</i> Summary: In dealing with you as an AI client, we are <u>not required</u> to comply with the requirements set out in FAA s.26 to s.29 and s.36 when we provide advice or analyses on bonds. FAR Reg.28 exempts us from the requirements set out in ss.26 to 29 and s.36 of the FAA when advising expert investors or AIs on bonds, either directly, through publications and writings or by issuing or promulgating research analyses or reports. Briefly, the following are not applicable when we deal with AI clients: (i) FAA s.26 which is a statutory obligation not to make any false or misleading statements or to employ any device, scheme or artifice to defraud. (ii) FAA s.27 as described in the section Part 1, A1 above. (iii) FAA s.28 which governs how we may receive or deal with client's monies or assets. (iv) FAA s.29 which requires us to furnish information about any matter related to our business to the MAS if required by the MAS. (v) FAA s.36 as described in the section Part 2, A2 immediately above. <u>Voluntary Measure</u> We voluntarily comply with FAA s.26, s.28, s.29 and s.36. Please note that you will not be able to rely on FAA s.27 as an AI client in any claim against us for losses suffered in respect of any investment recommendation (as explained in the section Part 1, A1 above).
A3.	<i>No dealing as agent under SFR Reg.47BA.</i> Summary: In dealing with you as an AI client, we <u>may</u> deal with you as an agent in relation to OTC derivatives and/or Spot FX transactions for purposes of Leveraged FX Trading. SFR Reg.47BA provides that we must not deal with a non-AI client as an agent when trading in capital markets products that are OTC derivatives and/or Spot FX transactions for the purposes of Leveraged FX Trading. <u>Voluntary Measure</u> We act as a principal when we deal with you in OTC derivatives and/or Spot FX transactions for the purposes of Leveraged FX Trading.
B.	Product Processes and Documentation
B1.	<i>Product due diligence obligation under FAR Reg.18B.</i> Summary: In dealing with you as an AI client, we are <u>not required</u> to carry out a product due diligence exercise to ascertain whether any new product we wish to sell or market is suitable for the targeted clients to whom we want to market or sell such products. Before selling or marketing new products, FAR Reg.18B requires us to carry out a due diligence exercise to ascertain whether such new product is suitable for the targeted non-AI client. The due diligence exercise must include an assessment of several areas, including (i) the type of targeted client the new product is suitable for and whether the new product matches our client base; (ii) the key risks that a targeted client potentially faces; and (iii) the processes in place for our representatives to determine whether the new product is suitable for the targeted client, taking into consideration the nature, key risks and features of the new product. We are prohibited from selling or marketing any new product to any targeted client unless every member of our senior management (or their delegate(s)) has (i) personally satisfied himself that the new product is suitable for the

	targeted client on the basis of the due diligence exercise results, and (ii) personally approved such sale or marketing of the new product to the targeted client. <u>Voluntary Measure</u> We do not make a distinction between non-AI and AI clients in respect of undertaking such product due diligence.
B2.	<i>Disclosure requirements under SFR Reg.47DA</i> <i>Summary: In dealing with you as an AI client, we are <u>not required</u> to provide you with the risk disclosures, and the capacity in which we act, in the manner contemplated under SFR Reg.47DA.</i> SFR Reg.47DA (1) and (2) set out disclosure requirements for us when dealing in Specified CM Products. In particular, we must not: (i) open a trading account for a non-AI client to enter into sale and purchase transactions of any Specified CM Products unless we first (a) furnish the non-AI client with a written risk disclosure document disclosing the material risks of such Specified CM Products, and (b) receive an acknowledgement signed and dated by the non-AI client, confirming that he has received and understood the nature and contents of the said document; and (ii) enter into any sale or purchase transactions for any Specified CM Products unless we have informed the non-AI client if we are acting as principal or agent. <u>Voluntary Measure</u> We provide such general risk disclosures to all clients.
B3.	<i>Provision of client statement of accounts under SFR Reg.40.</i> <i>Summary: In dealing with you as an AI client, we are <u>not required</u> to furnish you with a monthly or quarterly statement of accounts if:</i> <i>(i) we have made available to you (on a real-time basis) the prescribed particulars in the form of electronic records stored on an electronic facility; and</i> <i>(ii) you have consented to those particulars being made available in such manner or you have requested in writing not to receive the statement of accounts.</i> SFR Reg.40 requires us to furnish non-AI clients with a monthly statement of accounts containing, inter alia, the following particulars: (i) sale and purchase transactions (including the transaction price details) for securities and units of collective investment schemes; (ii) a list of outstanding derivatives contracts and the Spot FX transactions for the purposes of Leveraged FX Trading that have not been liquidated, the prices at which such contracts were acquired, and the net unrealized profits or losses in such contracts that have been marked to the market; (iii) the status of the client's asset held in custody; (iv) the movement of the client's assets, the date of and reasons for such movement, and the amount of the asset involved; (v) the movement and balance of monies received on account of the client; and (vi) a detailed account of all financial charges and credits during the monthly statement period. <u>Voluntary Measure</u> We have already voluntarily adhered to the above requirements in SFR Reg.40.
B4.	<i>Non-AI client risk disclosures under SFR Reg.47E</i> <i>Summary: In dealing with you as an AI client, we are <u>not required</u> to provide you with the non-AI client risk disclosures in the manner specified in SFR Reg.47E.</i>

SFR Reg.47E requires us to provide certain risk disclosures when dealing in Non-specified CM Products for non-AI clients that are not related corporations of the bank or providing fund management services in this regard.

When dealing in Non-specified CM Products, we must not open a trading account for a non-AI client (who is unrelated to the bank) to trade in such products unless we first:

- (i) furnish the non-AI client with a written risk disclosure document disclosing the material risks of such Non-specified CM Products in a prescribed form (Form 13 and Form 14), and
- (ii) receive an acknowledgement signed and dated by the non-AI client, confirming that he has received and understood the nature and contents of Form 13 and Form 14.

Reg.47E also specifies that copies of Form 13 and Form 14 must be kept in Singapore.

Voluntary Measure

We have already voluntarily adhered to the above requirements in SFR Reg 47E.

C Bank Operations

C1. *Treatment of clients' assets under Part III of the SFR.*

Summary: While we remain under a statutory obligation to deposit all assets received on your account into:

- (i) a custody account maintained in accordance with SFR Reg.27; or***
 - (ii) any other account into which you direct the assets to be deposited,***
- the enhanced safeguards pertaining to the treatment of clients' assets stipulated under Part III of the SFR do not apply to assets in an AI client account.***

Part III of the SFR relates to the treatment of clients' assets. When we deal with you as an AI, we:

- (i) are not required to disclose to you the way in which your assets are held (whether locally or in a foreign jurisdiction), as specified under SFR Reg.27A;
- (ii) are allowed to transfer your title in your assets to us or any other person and can use your assets to meet our own obligations; and
- (iii) are not obliged to inform you that we may use your assets for a sum lesser or equal to what you owe us, nor do we need to disclose the risks of such use to you and obtain your consent before using your assets. Use of your assets can include mortgaging, charging, pledging or hypothecating your assets.

Voluntary Measure

We do not make a distinction between client types for the treatment of your assets.

We have summarized the key requirements below:

	Non-AI client	AI clients
<i>Disclosure requirement</i>	We must make certain disclosures in writing before depositing assets in a custody account (e.g., whether the assets will be commingled with other clients' and the risks of commingling, the consequences if the custodian which maintains the account becomes insolvent etc.).	No such requirement
<i>Transferring title of client's assets</i>	We are prohibited from transferring the title of assets received from the clients to ourselves or any other person unless they are transferred in connection with the borrowing and/or lending of Specified Products in accordance with Reg.45.	No such prohibition

	<i>Withdrawals from custody account</i>	Withdrawals are permitted from the custody account, inter alia, to transfer the asset to any other person or account in accordance with the client's written direction. Not permitted to transfer the non-AI client's assets to meet any obligation of the Bank in relation to any transaction entered into by the Bank for the benefit of the Bank.	Withdrawals are permitted in accordance with the written direction of the AI client.
	<i>Client's Assets</i>	Deposit into: - a custody account; or - an account directed by the non-AI client to which the client has the legal and beneficial title and maintained with, <i>inter alia</i>, licensed banks, merchant banks or finance companies.	Deposit into: - a custody account; or - an account directed by the AI client
	<i>Mortgage of client's assets</i>	We may mortgage or charge the client's assets for a sum not exceeding the amount owed by the client to us. However, prior to doing so, we must inform the non-AI client of this right, explain the risks and obtain written consent from the non-AI client.	No equivalent requirement to inform, explain risks or obtain written consent of the AI client
	<i>Lending of client's assets</i>	We must explain to the non-AI client the risks involved prior to us lending or arranging for a custodian to lend the non-AI client's Specified Products.	No equivalent requirement
D	Complaints Handling		
D1.	<i>Complaints Handling and Resolution under the CHR Regulations.</i> Summary: We are not required to handle and resolve your complaints according to the CHR Regulations. In particular, we need not: (i) establish a unit for handling and resolving complaints, comprising of officers and employees who are not directly involved in providing any financial advisory service ("CHR Unit"); (ii) establish or maintain a process for handling and resolving complaints ("CHR Process") in the prescribed manner, or ensure that your complaints are handled and resolved in accordance with such process; (iii) provide reasons for rejecting complaints; (iv) appoint senior management to be responsible for compliance with the CHR Regulations; (v) ensure that the prescribed information on our complaints handling and resolution process is available to and easily accessible by members of the public; (vi) keep a record of, track or manage your complaints; and (vii) prepare half-yearly reports on complaints to the MAS. (i) Complaints CHR Regulations Reg.3(2)(a)(ii) states that the CHR Regulations apply to any complaint that is made on or after 3 January 2022 by any of our clients or prospective clients (being natural persons) who, at the time when the complaint is made, is not an AI, expert investor or institutional investor. For this purpose, a complaint refers to a complaint made by a named client containing an allegation of any conduct which, if true, may constitute a contravention of a business conduct requirement or an unfair practice in relation to the provision of a financial advisory service. (ii) Unit to handle and resolve complaints We must: (a) establish a unit for handling and resolving complaints, comprising of officers and employees who are not directly involved in providing any financial advisory service (the "CHR Unit"), and ensure that any complaint received by it is handled or resolved by the CHR Unit or a person under the supervision of the CHR Unit; and (b) establish and comply with a process for handling and resolving complaints (the "CHR Process"). We must ensure that the CHR Process provides for: (1) the assessment of the merits of each complaint; (2)		

the criteria for determining whether a complaint should be referred to its senior management for them to decide on the response to the complaint; and (3) a reasonable timeframe for handling and resolving complaints.

(iii) Process for handling and resolving complaints

The CHR Process must include procedures for the following matters: (a) acknowledging receipt of the complaint and providing the complainant with a written notice summarizing the financial adviser's CHR Process within two business days; (b) interviewing of the complainant; (c) reviewing of the complaint and completion of such review; (d) ensuring that the complainant is kept informed of the complaints handling status; and (e) sending the complainant its final response to the complaint or a written response setting out certain matters within 20 business days. Where a complaint is rejected, we must provide the complainant with written reasons for the rejection and where the complainant accepts an offer of redress or remedial action, paying the money offered as redress or carrying out of remedial action.

(iv) Senior Management Oversight / Process publicly available

We are also required to appoint member(s) of its senior management who are not directly involved in the provision of any financial advisory service to be responsible for the oversight of compliance with the CHR Regulations, and to ensure that information on its CHR Process, including information on how to make a complaint and the contact details of the CHR Unit, is available to and can be easily accessed by members of the public.

(v) System for managing complaints / Biannual reports

We must establish a system to record, track and manage complaints, and keep a record of each complaint received for at least five years after the date on which the complaint is deemed to be resolved. We also have to prepare half-yearly reports setting out the complaints received and the actions undertaken to resolve each complaint and submit the reports to the MAS.

Voluntary Measure

We voluntarily comply with the CHR Regulations for complaints from AI clients, save for (v) above, the following requirement:

Biannual Reports

We do not prepare half-yearly reports setting out details of complaints to the MAS.