The Regulatory Architecture: MAS, the Banking Act, the SFA, the FAA and the FSMA: practical consequences

Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland and Germany),
Solicitor (England & Wales and Hong Kong)
Of Counsel, KGP Legal LLC
alexander.ressos@kgplegal.com.sg
www.ressos.com.sg

For a foreign group that wants to serve wealthy clients from Singapore, the architecture described in this chapter translates into a series of concrete decisions. The first concerns the vehicle. A bank or merchant bank licence under the Banking Act carries the broadest permissions and the heaviest prudential requirements. A capital markets services licence for fund management or dealing suits an asset manager without deposit-taking. A financial adviser's licence suits an advisory firm that neither manages assets nor holds client money. External asset managers, discussed in Chapter E.V, usually hold a capital markets services licence and work with custodian banks.

The second decision concerns the client base. A firm that serves only accredited and institutional investors benefits from substantial exemptions, but it must document each client's status, obtain the opt-in and review the status when circumstances change. A firm with retail clients must apply the full set of conduct rules on product

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recommendations, disclosure and fair dealing. The third concerns people. Every individual who advises, deals or manages must be appointed as a representative and meet competency requirements. Every senior manager should have a documented scope of responsibility that MAS can examine.

- Identify each regulated activity the business will carry on and match it to the Banking Act, the SFA, the FAA or the FSMA.
- Check whether an exemption applies, and remember that an exemption from licensing leaves conduct duties untouched.
- Classify every client as retail, accredited or institutional, record the opt-in of accredited investors and review the classification periodically.
- Appoint all representatives through the public register and verify their examination status before they give advice.
- Map the responsibilities of senior managers and material risk personnel and align remuneration with conduct.
- Apply the MAS anti-money laundering notices with particular attention to source of wealth, following the guidance of May 2026 for private banking clients.
- Review outsourcing and technology arrangements against section 47A of the Banking Act and the technology risk requirements of the FSMA.
- Treat customer information as protected under section 47 of the Banking Act and disclose it only through a statutory gateway.
- Track the consultations, notices and guidelines that MAS publishes, because much of the operative detail lies there.

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Author contact: Dr Alexander Ressos, TEP · contact@ressos.com