

RESPONSE TO CONSULTATION PAPER

Consultation topic:	Consultation Paper on Enhancing Safeguards for Proper Conduct of Digital Prospecting and Marketing Activities
Name/Organisation:	CFA Society Singapore: <ol style="list-style-type: none">1. Chan Fook Leong, CFA2. Cheong Yi Wei, CFA3. Chin Wee Cheak, CFA4. Chong Li Min, CFA5. Sarah Song, CFA6. Vineet Vohra, CFA7. Various CFA charterholders who wish to remain anonymous
Email address for any clarification:	advocacy@cfasocietysingapore.org
Response to consultation paper	Submitted on 30 June 2023 via link provided by MAS: https://go.gov.sg/MAS-Digital-Marketing

Question 1. MAS seeks comments on the proposed Guidelines set out in Annex A.

We are in general agreement with the principles-based proposed Guidelines set out in Annex A.

All forms of advertisement, outreach, prospecting and marketing whether digital or otherwise should come under the purview of Financial Institutions (FIs) to ensure ideal outcomes for stakeholders, in particular, retail investors, members of the public and those who would be expected to comply with the proposed Guidelines.

Hence, MAS may also wish to consider whether these Guidelines should apply to all forms of prospecting and marketing activities. By focusing on the digital mode, the Guidelines may counter-intuitively set the tone that these safeguards need not apply, or apply with less rigour, to non-digital prospecting and marketing activities. For example, the following guidance may need more clarity to justify differences between digital and non-digital prospecting and marketing activities:

1. Safeguard 4 - Paragraph 3.13 - Why would a register be necessary for digital marketing but not so for non-digital marketing?
2. Safeguard 5 - Paragraph 3.20 - Why would the prohibition of digital marketing not be extended to non-digital marketing on recalcitrant representatives?

Separately, MAS may wish to clarify (Definition - Paragraph 9) if video and audio conferencing, which include face-to-face virtual interactions, telemarketing without face-to-face interactions, and the metaverse, are also considered “digital media.”

Question 2. MAS seeks comments on the proposed amendments to the advertising regulations set out in Annex B and Annex C.

We agree with the proposed amendments. Nevertheless, there are issues or concerns which we wish to raise:

1. How would MAS enforce the new regulations?
2. Social media messages are short and catchy. How are appointed representatives and financial advisers reasonably going to comply with the proposed regulations?
3. Continuation education of retail investors and members of the public - They should be able to determine bona fide marketing efforts, and be in a position to ask who is putting out those marketing messages.

Question 3. MAS seeks comments on the proposed amendments to FAA-N02 set out in Annex D.

We agree to the amendments. Introducers should be viewed as an extension of FIs.

Question 4. MAS seeks comments on other possible measures which could be introduced to ensure responsible and professional conduct of digital prospecting and marketing activities.

No comment.

Question 5. MAS seeks comments on the proposed transition period of six to nine months.

No comment.