



Guide and Cautionary Notes in Applying for/Continuing with an Account with Maybank Kim Eng Securities Pte Ltd

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Guide And Cautionary Notes In Applying For/Continuing With An Account With Maybank Kim Eng Securities Pte Ltd (the "Guide")

Many thanks for your interest in opening/continuing to maintain an account with Maybank Kim Eng Securities Pte Ltd (hereafter either "Maybank Kim Eng" or "We" or "Us").

This Guide is provided to you in the interest of transparency and fair dealing with you.

It is designed to assist you in:

1. Understanding the types of services we offer; and their respective limits; and
2. With that understanding, deciding on whether to use, and if so, which of our service or services to use.

While there are common terms governing all of our services, the terms specific to each service will vary.

Who Are We And What Services Can We Provide?

We are a Singapore established company and part of the Maybank group of entities with our ultimate parent entity being Malayan Banking Berhad.

We are the holder of a capital markets services license ("CMS license") under the Securities and Futures Act of Singapore (the "SFA") for the carrying out of the following activities regulated under the SFA:

1. Dealing in securities;
2. Trading in futures contracts;
3. Leveraged foreign exchange trading;
4. Securities financing; and
5. Providing custodial services for securities.

Because we hold a CMS license for the regulated activities set out above, we are registered as an exempt financial adviser ("EFA") under the Financial Advisers Act of Singapore (the "FAA") for the carrying out of certain financial advisory services as defined under the FAA or its regulations.

What Services Are Available To You From Us?

We provide basically three levels of service:

1. Execution only;
2. Dealing with execution related advice ("ERA"); and
3. Dealing with advice under a formal advisory agreement ("Formal Advice").

ERA is specifically defined by our regulators as advice or recommendation, that is solely incidental to our execution activities, which we provide for no additional payment apart from any fee that we may earn from your actually dealing (i.e. buying/selling) in investment products with or through us.

The level of service that is available to you will depend on (a) whether you are a "Retail Singapore Client"; and (b) the type of investment product that you wish to deal in.

A "Retail Singapore Client" is a client who satisfies both (1) and (2) below:

1. An individual who is:
 - a. in Singapore;
 - b. a citizen of Singapore;

- c. a permanent resident of Singapore; or
 - d. wholly or partly dependent on a citizen or permanent resident of Singapore.
2. Not an accredited, institutional or expert investor as the respective expressions are defined in the Securities and Futures Act, Chapter 289 of Singapore.

For convenience of reference we set out in the Schedule hereto the relevant definitions of “accredited investor”, “expert investor” and “institutional investor”.

The following sets out the levels of service that are currently available from us in relation to the relevant products. Such levels of service are subject to change from time to time.

Levels Of Service Available For Excluded Investment Products

For dealings in what are called Excluded Investment Products (“EIP”), the only level of service available from us, regardless of whether you are a Retail Singapore Client or not, is execution only. Neither we nor any of our representatives will or will be providing dealing with ERA or Formal Advice.

We are not willing and will not provide you with anything in relation to EIPs that you may regard or rely on as being advice or recommendation intended for you to rely on or act on.

We or our representatives may still from time to time comment or give opinions and suggestions or otherwise make statements in relation to EIPs. **HOWEVER - you MUST assume and accept ALL such statements as being no more than our respective expressions of opinions honestly held; or statements of fact honestly believed not to be inaccurate or misleading. This is particularly so for responses off the cuff to any questions you may ask orally or via electronic communications to us or our representatives.** No reliance on such supposed statements, even if given in language indicating them to be recommendations or advice, should or can be made by you to make any trading or investment decision. You must independently satisfy yourself of the accuracy and suitability of such supposed statements.

What are EIPs?

EIPs include certain types of securities (and options on such securities) that are not listed on any exchange or, if listed, at least one of the listings is on an approved exchange. Examples of EIPs are:

1. Shares
2. Fully-paid depository receipts representing shares
3. Subscription rights pursuant to rights issues
4. Company warrants
5. Units in business trusts
6. Units in real estate investment trusts
7. Debentures (other than asset-backed securities & structured notes)
8. Life insurance policies (other than investment-linked life insurance policies)
9. Contracts or arrangements for the purpose of foreign exchange trading (other than derivatives of foreign exchange contracts and leveraged foreign exchange trading)

EIPs are less complex products which are already established in the market and are generally well understood by retail investors. As such we will provide you our services on a purely execution only dealing basis in relation to EIPs.

For our services in relation to EIPs, we therefore assume and materially rely on you being agreeable and willing to generally accept sole responsibility for determining the merits or suitability of any and all transactions that you may enter into with respect to any and all EIPs.

Levels Of Service Available For Specified Investment Products

For dealings in what are called Specified Investment Products (“SIPs”), the **only** level of service available from us to a non-Retail Singapore Client is execution only.

For Retail Singapore Clients, the level of service provided by us will vary depending on the type of investment products, as follows:

1. For listed SIPs that are not collective investment schemes, or which are not Marginable Futures Contracts and Futures Contracts, all three levels of services as described above are available.
2. For contracts for differences, the **only** levels of service available from us are:
 - a. execution only; and
 - b. dealing with Formal Advice.
3. For leveraged foreign exchange, the **only** level of service available from us is execution only.
4. For collective investment schemes that are SIPs, the **only** level of service available from us is execution only.
5. For Marginable Futures Contracts and Futures Contracts, the only level of service available from us is execution only.

What are SIPs?

SIPs are (for the purposes of our dealing services as a CMS license holder) capital markets products that are not EIPs.

A quick guide for consumers on Safeguards When Purchasing SIPs is available at www.mas.gov.sg/for_consumers.html.

Exemption Notice for Accredited, Expert and Overseas Investors

Please note that we are expressly exempted from assuming and will not assume (short of an express and formal agreement otherwise) certain compliance obligations under the FAA, the Financial Advisers Regulations and the relevant Notices and Guidelines issued thereunder in respect of our provision of financial advisory service to any person:

1. who is either an accredited investor or an expert investor; or
2. outside Singapore who is:
 - a. an individual who is neither a Singapore citizen, a Singapore permanent resident nor wholly or partly dependent upon a Singapore citizen or Singapore permanent resident; or
 - b. in any other case, a person with no commercial or physical presence in Singapore, (an “overseas investor”).

In particular, we will be exempt from:

- Section 25 of the FAA (relating to the disclosure of material information on designated investment products, namely collective investment schemes and life insurance policies other than reinsurance contracts) when providing any financial advisory service in respect of designated investment products to accredited investors or overseas investors, and in respect of designated investment products that are capital markets products to expert investors;
- Section 27 of the FAA (which requires that there must be a reasonable basis for making recommendations on investment products) when making recommendations in respect of investment products to accredited investors or overseas investors, and in respect of capital markets products to expert investors; and
- Section 36 of the FAA (which requires the disclosure of interests when making recommendations on securities in a circular or other similar written communication) when sending a circular or other similar written communication in which a recommendation is made in respect of securities to accredited investors, overseas investors or expert investors.

Retail Singapore Clients

Depending on whether a Retail Singapore Client wishes to deal in listed or unlisted SIPs, he will first need to pass respectively a Customer Account Review (“CAR”) and/or a Customer Knowledge Assessment (“CKA”) before he may be permitted to begin or continue trading in the relevant SIP. We have prepared a “Client Proficiency Assessment for Trading in Specified Investment Products (“SIPs”) With Maybank Kim Eng Securities Pte Ltd”, which consolidates both the CAR and the CKA requirements.

Therefore, unless we had expressly agreed otherwise in your case, you must pass either the CAR and/or CKA (as the case may be) in the Client Proficiency Assessment with us before you can begin or continue trading in the relevant SIP.

Client Investment Profile Questionnaire (“CIP”)

For ERA and Formal Advice, you are required to complete and return the CIP to us. **Where you do not complete and/or return the CIP to us, you must note, agree and accept as conditions to your being allowed to trade or continue to trade in the relevant investment products that:**

1. We are in no position to ensure that any advice or recommendation that may be provided to you by us are specifically suitable for you bearing in mind your specific financial position, attitude and capacity to take financial risks and financial objective trading in the investment products that you will be trading in; and therefore
2. Any and all advice or recommendation you receive from us will not be based on, nor take into consideration, your specific investment objectives, financial situation or needs; and
3. You must assess for yourself whether any of our advice or recommendation as may be provided to you is specifically of merit and appropriate or suitable to your individual investment objectives, financial situation or particular needs. In particular, the mere fact that our advice or recommendation is to buy or sell or hold any investment product does not necessarily mean, and must not be taken to mean, that the recommendation is suitable for you and you should therefore either make your own assessment (if you are able) or (if you cannot properly or reasonably make your own assessment) consult with your own financial adviser before acting on any such advice or recommendation. You should do this before you make any decision on the basis of any advice or recommendation we may provide to you.

Where you properly complete and return the CIP to us, we will ensure that such advice or recommendation that may be provided to you by us from time to time will be reasonably consistent with the information you provide in the CIP with regards to your suitability; but it remains your choice to choose whether you wish to follow or not. Where you choose not to follow the advice or recommendation we will assume that you have made your own informed determination not to follow the advice or recommendation and instead are accepting sole responsibility for determining the merits or suitability of any and all transactions that you may enter into contrary to the advice or recommendation given to you.

Formal Advice will be given only if you actually enter into and it will be subject to the terms of the advisory services agreement you formally conclude with us.

Generally Circulating Materials and Resources Warning

Please also note that regardless of whether you properly complete and return the CIP to us, you may be provided or given access to resources or materials that are intended to be for general circulation. **The materials intended for general circulation will have an express notice accompanying the materials to that effect. Such resources and materials are provided with the sole aim of enabling you to manage and control your own investments and this means also that you need to be able and willing to accept sole responsibility for ensuring the merits and suitability of any and all investments that you may make with or through us before making any investment or effecting any transaction with or through us.** None of the advice or recommendation appearing in such generally-circulated materials and resources should be taken by you as intended for you specifically to rely on. They are provided expressly subject to the exemption notice and disclaimer against such effect accompanying the materials.

Schedule

Definitions of “*accredited investor*”, “*expert investor*” and “*institutional investor*”.

“*accredited investor*” means –

1. an individual –

- a. whose net personal assets exceed in value \$2 million (or its equivalent in a foreign currency) or such other amount as the Monetary Authority of Singapore (“MAS”) may prescribe in place of the first amount; or
 - b. whose income in the preceding 12 months is not less than \$300,000 (or its equivalent in a foreign currency) or such other amount as the MAS may prescribe in place of the first amount;
2. a corporation with net assets exceeding \$10 million in value (or its equivalent in a foreign currency) or such other amount as the MAS may prescribe, in place of the first amount, as determined by –
 - a. the most recent audited balance-sheet of the corporation; or
 - b. where the corporation is not required to prepare audited accounts regularly, a balance-sheet of the corporation certified by the corporation as giving a true and fair view of the state of affairs of the corporation as of the date of the balance-sheet, which date shall be within the preceding 12 months;
3. the trustee of such trust as the MAS may prescribe, when acting in that capacity; or
4. such other person as the MAS may prescribe, who are at present (by virtue of the Securities And Futures (Prescribed Specific Classes of Investors) Regulations 2005):
 - a. the trustee of a trust of which all property and rights of any kind whatsoever held on trust for the beneficiaries of the trust exceed \$10 million in value (or its equivalent in a foreign currency);
 - b. an entity (other than a corporation) with net assets exceeding \$10 million in value (or its equivalent in a foreign currency);
 - c. a partnership (other than a limited liability partnership within the meaning of the Limited Liability Partnerships Act 2005 (Act 5 of 2005)) in which each partner is an accredited investor;
 - d. a corporation, the sole business of which is to hold investments and the entire share capital of which is owned by one or more persons, each of whom is an accredited investor.

“expert investor” means –

1. a person whose business involves the acquisition and disposal, or the holding, of capital markets products, whether as principal or agent;
2. the trustee of such trust as the MAS may prescribe, when acting in that capacity; or
3. such other person as the MAS may prescribe.

“institutional investor” means –

1. a bank licensed under the Banking Act, Chapter 19 of Singapore;
2. a merchant bank approved as a financial institution under section 28 of the Monetary Authority of Singapore Act, Chapter 186 of Singapore;
3. a finance company licensed under the Finance Companies Act, Chapter 108 of Singapore;
4. a company or society registered under the Insurance Act, Chapter 142 of Singapore as an insurer;
5. a trust company licensed under the Trust Companies Act, Chapter 336 of Singapore;
6. the Singapore government or any statutory body established under any Act;
7. the holder of a capital markets services licence under the SFA for:
 - a. dealing in securities;
 - b. fund management;
 - c. providing custodial services for securities;
 - d. real estate investment trust management;
 - e. securities financing; or
 - f. trading in futures contracts;

8. a person (other than an individual) who carries on the business of dealing in bonds with:
 - a. accredited investors; or
 - b. expert investors;
9. a pension fund or collective investment scheme;
10. the trustee of such trust as the MAS may prescribe, when acting in that capacity; or
11. such other person as the MAS may prescribe, who are at present (by virtue of the Securities And Futures (Prescribed Specific Classes of Investors) Regulations 2005):
 - a. a designated market-maker;
 - b. a headquarters company or finance and treasury centre which carries on a class of business involving fund management (where such business has been approved as a qualifying service in relation to that headquarters company or finance and treasury centre under the Income Tax Act, Chapter 134 of Singapore);
 - c. a person resident in Singapore who undertakes fund management activity in Singapore on behalf of not more than 30 qualified investors; and
 - d. a service company which carries on business as an agent of a member of Lloyd's.