

Standard Chartered
Amendments to Accredited Investor (“AI”) Regulations –
Frequently Asked Questions for Retail Banking Clients

1. What are the changes to the AI regulations?

The Monetary Authority of Singapore has introduced regulatory amendments to improve investor protection. These include changes to the AI eligibility criteria, and, new opt in requirements for clients who want to be treated as AI.

a) Revised AI eligibility criteria:

For individuals

- Income in the preceding 12 months is not less than SGD 300,000 (or its equivalent in a foreign currency); or
- Financial assets (net of any related liabilities) exceeds SGD 1 million (or its equivalent in foreign currency); or
- Net personal assets exceeds SGD 2 million (or its equivalent in foreign currency), of which the net equity of the primary residence can only contribute up to SGD 1 million.

For joint account holders: Please refer to questions 7 and 8.

b) Opt In requirement:

All clients wishing to be treated as an AI have to (1) be AI eligible, AND (2) Opt In, to be treated by the Bank as an AI. Existing individual clients who are AI eligible, and who have previously declared themselves as AI with the Bank can continue to be treated by the Bank as an AI until 8 July 2020. Clients who wish to continue to be treated as an AI after 8 July 2020 will need to be re-assessed for AI Eligibility and Opt In.

2. How do I obtain an AI status/be treated as AI?

You will need to (1) be AI eligible (please refer to question 1), **AND** (2) Opt In to be treated by the Bank as an AI, before you can obtain AI status.

- If you have more than one account with SCBSL, please refer to question 7 for more details.
- For clients who are not personally AI eligible, please refer to question 8.
- For existing AI clients, please refer to question 10.

3. What does my AI status/ treated as AI mean?

While we offer a broad range of wealth management solutions to all client segments, AIs are assumed to be better informed and better able to access resources to protect their own interests.

Some examples of how the Bank differentiates AI clients from non-AI clients are:

Non-AI clients	AI clients
1) Only securities that have been accompanied by a prospectus lodged with the MAS; or investments meeting a minimum threshold amount, are recommended to non-AI clients; 2) We have to determine the client's	AI clients may: 1) invest in a wider and more sophisticated range of investments solutions (such as bonds and fixed coupon notes) without a minimum amount; 2) be kept informed and updated about the

<p>investment experience and knowledge of unlisted Specified Investment Products by conducting a Customer Knowledge Assessment prior to accepting instructions from a client to invest in unlisted Specified Investment Products; and</p> <p>3) We maintain an independent sales audit unit that is required to audit the quality of financial advisory services provided to non-AI clients.</p>	<p>markets through exclusive AI-only wealth management seminars and AI-only in-house financial publications such as the Bank's Equity Trade Notes and Fixed Income Strategies;</p> <p>3) receive priority communications about market opportunities via book building notifications; and</p> <p>4) have access to preferential rates, for Wealth Lending accounts as a Priority Banking AI client.</p>
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We refer you to <https://www.sc.com/sq/accreditedinvestor> for an explanation of the regulatory requirements that we are exempted from complying with when we serve you as an AI. Please read at least the executive summary, if not the detailed schedule, and reach out to your relationship manager if you have any questions or prefer to receive a hard copy of the documents.

4. What does my non-AI status mean?

As a non-AI client, your access to the range of investments, publications providing market insights and preferential pricing for selected services could be more limited as compared to an AI client.

5. How do I Opt In to an AI status?

You have to complete:

- (1) an Accredited Investor Eligibility Form and provide the necessary supporting documents; and
- (2) an Accredited Investor Opt In Form, and

return both completed forms and all supporting documents to your relationship manager or to the Bank at any of our branch locations.

Upon our assessment of your AI eligibility, we will require an estimated 14 business days from the date of receipt of the Accredited Investor Opt In Form (or as soon as practicable thereafter) to process your instruction. We will notify you once your status is updated.

6. How do I Opt Out of the AI status?

If at any time you no longer wish to be treated as an AI, you may notify us that you wish to Opt Out. Please contact your relationship manager and complete the Accredited Investor Opt Out Form. We require 14 business days from the date of receipt of the Opt Out Form to effect your instruction. We will notify you once your investor status as a non-AI client has been updated in our records. Until such time, you will still be treated as an AI by the Bank, after which there may be restrictions on new investments that we can offer to you.

7. Can I have a different status for each of my different accounts with SCBSL?

If you are personally AI eligible, you may only maintain one AI status across a financial institution.

If you Opt In, you will be treated as an AI in respect of (i) all accounts which you hold with the Bank (including deposit accounts, investment accounts and joint accounts); (ii) all transactions booked with or through the Bank; (iii) the relevant services and products offered by or through the Bank to you; and (iv) all business segments of the Bank within the same legal entity (such as Private Banking and Retail Banking).

However, for a joint account to have AI status, all joint account holders have to Opt In as AI for that particular joint account.

Please refer to Question 8 if you are not personally eligible, but you hold a joint account with an eligible AI.

8. If I am not AI eligible, can I still Opt In to be treated as an AI?

For accounts where one or more joint account holders are non-AI eligible, the joint account may be treated as AI if:

- (a) at least one joint account holder has been assessed to meet the AI-eligibility criteria and has Opted In to be treated as an AI; **AND**
- (b) **ALL** joint account holders of that account must have (and continue to remain being Opted In) to be treated as an AI for that account.

You may be treated as AI only when dealing with respect to a joint account which is treated as AI after having met the above listed (a) and (b) conditions.

In this case, your Opt In is effective only in respect of the relevant AI joint account(s) only and not other accounts in which you are the sole account holder or other joint accounts where there is no AI joint account holder.

9. Will my existing investments which I have entered into as an AI be subject to the regulatory safeguards accorded to a non-AI after I have successfully Opt Out as an AI?

As your existing investments were entered into when you were an AI, they would not benefit from regulatory safeguards accorded to a non-AI. All investments entered into with the Bank after we have notified you that your Opt Out has been processed will be subject to the regulatory safeguards accorded to a non-AI.

For existing AI clients who have received a letter from SCBSL

10. I have received a letter from SCB/ SCBSL stating that I have been assessed to be an AI – is there anything that I am required to do?

If you wish to continue to be treated as an AI, you do not need to do anything. Unless we receive your Accredited Investor Opt Out Form, we will continue to treat you as an AI until your current AI Eligibility Form expires or 8 July 2020, **whichever is earlier**. At that point, if you wish to continue being treated as an AI, you will be required to **Opt In**.

If you no longer wish to be treated as an AI, you may notify us at any time that you wish to Opt Out. Please complete the Accredited Investor Opt Out Form and return it to your relationship manager. We require **14 business days** from the date of receipt of the Opt Out Form to effect your instruction. We will notify you once your investor status as a non-AI client has been updated in our records. Until such time, you will still be treated as an AI by the Bank, after which there may be restrictions on new investments that we can offer to you. We will continue to provide services to you for your existing investments.

Notifications

11. How will I know when my Opt In / Opt Out request has been processed?

We require up to 14 business days to process your request. We will notify you once your new investor status has been updated in our records.

12. For a joint account with AI status, if my other joint account holder(s) Opts Out, will I be notified?

The notification will only be sent to the account holder who opts out of that account.