RESPONSE TO CONSULTATION REPORT

Consultation topic:	**MAS Consultation on Proposed Amendments to the Code on Collective Investment Schemes to Facilitate Retail Fund Product Innovation**
Name[1]/Organisation: [1]if responding in a personal capacity	Investment Management Association of Singapore (IMAS)
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Feedback:

1. **MAS seeks views on the factors MAS should consider in determining whether to modify or amend investment requirements under the Appendices of the CIS Code to accommodate a new fund type for retail offer, as set out in paragraph 2.5 above.**

Members are broadly supportive of the three key factors proposed by MAS in paragraph 2.5, namely compliance with International Organisation of Securities Commissions (IOSCO) principles, the listing or offer history of similar products in other jurisdictions, and the adequacy of proposed safeguards. Members consider that these factors provide an appropriate and principled framework for assessing new fund types whilst maintaining investor protection.

Several members also highlighted that, in addition to the proposed factors, MAS should consider whether the necessary operational and market infrastructure is sufficiently developed to support the new fund type. This includes considerations such as the availability of robust valuation methodologies, reliable market data and indices, and adequate market-making arrangements. Ensuring operational readiness across the product ecosystem would help facilitate a smooth product launch and ongoing fund management.

Members further seek clarification on whether the proposed framework under paragraphs 2.4 and 2.5 is intended to support consideration of a broader range of fund structures beyond the two examples set out in the consultation paper, including private assets funds and diversified commodity strategies. Members note that MAS issued a separate Consultation Paper on Providing Retail Access to Private Market Investment Funds in March 2025. It would be helpful if MAS could clarify whether the framework proposed in the present consultation paper is intended to operate alongside, or to subsume, the earlier private markets proposal, such that issuers would be able to consult MAS on admitting private market investment funds for authorisation under the same framework.

Likewise, members also request that MAS confirm whether the proposed framework may be applied to a broader range of commodity-related fund structures beyond futures-based single-commodity funds, such as diversified commodity strategies and commodity index funds, subject to appropriate safeguards and investor protection measures.

In addition, members seek clarification on several specific points arising from the proposed amendments to Appendix 1 of the CIS Code in relation to single-country government bond funds:

(a) With reference to paragraph 2.6(b), where the single entity limit of 10% does not apply where the relevant Public Debt Instruments are constituents of a well-recognised international index, members request that MAS confirm whether the single entity limit would revert to 10% if an issuing entity or issue is subsequently removed from the index composition.

(b) With reference to paragraph 2.7(a), which requires a disclosure statement that the scheme invests "most, if not all" of its assets in transferable securities or money market instruments issued by the government of a single country, members request that MAS clarify the specific threshold or minimum percentage implied by the phrase "most, if not all" in this context.

(c) Members also request that MAS clarify its expectations where there may be differences between the CIS Code and the Central Provident Fund (CPF) Investment Guidelines in relation to Public Debt Instruments and the single entity limit.

IMAS recommends that MAS adopt operational and infrastructure readiness as an additional factor in its assessment of new fund types, clarify the scope of the proposed framework in respect of private assets funds and broader commodity-related strategies, and address the specific clarification points raised above in relation to the proposed Appendix 1 amendments.

2. **MAS seeks views on the proposed introduction of a new Appendix under which new fund types may be permitted to deviate from investment requirements within Appendix 1, while being subject to alternative safeguards.**

Members are generally supportive of the proposed introduction of a new Appendix (the "Alternative Funds Appendix") under which new fund types may be permitted to deviate from the investment requirements within Appendix 1 of the Code on Collective Investment Schemes (CIS Code), while being subject to alternative safeguards. The proposed framework provides a transparent and scalable approach for accommodating new fund types without requiring extensive amendments to the CIS Code for each product category.

That said, members note that certain chapters of the current CIS Code already allow for deviations based on fund type. For example, under the provisions on payment of redemption proceeds, proceeds should generally be paid out within seven business days after the dealing day (T+7). However, allowances for certain fund types, such as property funds and hedge funds, permit deviation from this general period, and these are set out in the funds' respective appendices. Members consider that a similar approach should be applied to funds authorised under the proposed Alternative Funds Appendix. Specifically, where a new fund type has characteristics that may warrant deviation from certain key fundamental requirements in the CIS Code (for instance, in relation to redemption timelines), flexibility should be accorded on a case-by-case basis depending on the nature of the fund, rather than applying all Chapter requirements without exception. IMAS respectfully suggests that MAS clarify whether, and under what circumstances, funds authorised under the Alternative Funds Appendix may be permitted to deviate from specific Chapter requirements of the CIS Code where the fund type so warrants.

Members also request further guidance on the minimum considerations or characteristics of safeguards that would generally be regarded as adequate by MAS when assessing proposals under the Alternative Funds Appendix. Such guidance would facilitate fund managers in the design of new fund products and help ensure that submissions to MAS are appropriately structured from the outset. IMAS recommends that MAS provide indicative guidance on the types and standards of safeguards it would expect across the product-level, disclosure and distribution dimensions.

Members also seek clarification on the relationship between the proposed Alternative Funds Appendix and MAS's recent consultation on retail access to private market funds. In particular, members request that MAS confirm whether other fund types, such as semi-liquid private market funds, could be considered under the proposed Alternative Funds Appendix. It would be helpful if MAS could confirm how the two frameworks are intended to interact.

In addition, members request that MAS clarify the following procedural points relating to the approval process for new fund types under the proposed Appendix:

(a) With reference to paragraph 2.6 of the consultation paper, members seek confirmation on whether a new fund type must have both a relevant circular issued and a corresponding update to Appendix 8 before MAS can approve individual funds coming in under that new fund type.

(b) With reference to paragraph 2.10, members seek clarification on whether the requirement to consult MAS prior to applying for authorisation applies to all issuers seeking authorisation under the new Appendix 8, or only to issuers proposing to offer new fund types that are not yet included in Appendix 8.

Some members consider that the proposed amendments relating to single-country government bond funds may be more appropriately housed in a dedicated appendix or section, rather than within the general provisions of Appendix 1. This point is elaborated further in IMAS's response to Question 4.

3. **MAS seeks views on:**

   a. **the proposed title of the Appendix as "Alternative Funds Appendix" and suggestions on other titles for the new Appendix that may be more suitable; and**

Members have no strong objection to the proposed title "Alternative Funds Appendix". However, several members noted that the term "alternative fund" may cause confusion among retail investors, who could interpret it as referring specifically to alternative asset classes such as hedge funds, private equity or private credit. If MAS retains the proposed title, IMAS recommends that MAS prescribe clear explanatory disclosure to accompany the title, so as to avoid potential misunderstanding about the nature of funds authorised under this Appendix.

   b. **the requirement for funds authorised under this new Appendix to carry a clear and prominent statement in their prospectuses, product highlights sheets and marketing materials relating to the fund, that states that the fund is offered under this Appendix as an alternative fund.**

Members support the requirement for funds authorised under the new Appendix to carry a clear and prominent statement in their prospectuses, Product Highlights Sheets (PHS) and marketing materials. To promote consistency across the industry, IMAS recommends that MAS consider prescribing standardised disclosure wording requirements, or at minimum, a set of mandatory disclosure elements. This would help ensure that investors receive clear, consistent and understandable information regardless of the fund manager or distributor involved.

Members also seek clarification on the requirement to disclose the "customer segment that the scheme intends to target" (as set out in paragraph 3.9(d)(iii) of the consultation paper). In particular, members request that MAS confirm whether it has predefined or standard terminology for the description of customer segments, or whether this would be left to the issuer's discretion. IMAS recommends that MAS provide standard terminology or more specific guidance on how such customer segments should be disclosed, in order to reduce ambiguity and ensure consistency of disclosure across funds.

4. **MAS seeks views on the proposal to incorporate flexibility in Chapter 4 of the CIS Code to enable MAS to amend investment requirements in existing Appendices of the CIS Code.**

Members support the proposal to incorporate flexibility within Chapter 4 of the CIS Code to enable MAS to modify or amend investment requirements in existing Appendices. The proposed approach would enable MAS to respond more efficiently to evolving market developments, international practices and product innovation, while ensuring that appropriate investor safeguards remain in place.

That said, members have raised a specific concern regarding the scope and application of the proposed amendments to paragraphs 2.6 and 2.7 of Appendix 1. The consultation paper consistently describes the proposal to remove the Credit Rating Requirements in the context of single-country government bond funds. The proposed disclosure requirements in paragraph 2.7 are clearly tailored to such funds, requiring disclosure that the scheme invests most, if not all, of its assets in public debt instruments issued by the government of a single country and highlighting associated concentration and sovereign risks. The retained safeguards in paragraph 3.14 are similarly explained as supporting the operation of single-country government bond funds.

However, the proposed amendments are drafted directly within Appendix 1, which applies generally to all authorised schemes. Unlike other specialised fund types whose requirements are set out in dedicated appendices, the CIS Code does not currently contain a dedicated appendix or category for single-country government bond funds. Furthermore, the existing framework permitting modifications to the single entity limit for country-specific government bond funds is set out in MAS Circular CFC 02/2020, rather than in the CIS Code itself.

Members consider that the scope of paragraphs 2.6 and 2.7 should be made clearer to avoid uncertainty regarding their applicability. IMAS recommends that MAS consider one of the following approaches:

(a) introducing a dedicated appendix or section within the CIS Code specifically for single-country government bond funds, which would be consistent with the treatment of other specialised fund categories under the CIS Code; or

(b) expressly stating within paragraphs 2.6 and 2.7 that the exception from the single entity limit and the related disclosure requirements are only available to single-country government bond funds.

Members' preferred approach would be the introduction of a dedicated appendix or section for single-country government bond funds, as this would provide greater clarity to market participants, particularly given that the proposed disclosure requirements and safeguards are product-specific rather than of general application.

In addition, members request that MAS confirm whether, upon implementation of the proposed amendments, MAS Circular CFC 02/2020 will be expressly superseded, withdrawn or otherwise incorporated into the CIS Code. This would avoid uncertainty as to whether market participants should continue to refer to the Circular alongside the revised provisions in Appendix 1.

Finally, members request that MAS clarify the applicable single entity limits for other authorised schemes that invest in government bonds as part of a broader diversified investment strategy, such as balanced funds, multi-asset funds and mixed-asset funds. It would be helpful if MAS could confirm whether such funds remain subject to the ordinary single entity concentration limits and whether the exception under paragraphs 2.6 and 2.7 is unavailable to them.

5. **MAS seeks views on the proposal to recognise foreign funds that are comparable to new fund products that are authorised by MAS, including those under the proposed Alternative Funds Appendix.**

Members are broadly supportive of MAS's proposal to recognise foreign funds that are comparable to new fund products authorised by MAS, including those under the proposed Alternative Funds Appendix. Members agree that such recognition would provide Singapore investors with access to a wider range of investment solutions and support greater product diversity in the local market, subject to MAS being satisfied that the foreign fund operates within a regulatory framework that provides safeguards broadly comparable to those applicable to equivalent Singapore-authorised products.

That said, member views are divided on the timing of such recognition. Some members consider that, for prudence, MAS should first observe how the new Appendix 8 framework is received and operates in practice for locally-domiciled funds before extending recognition to comparable foreign funds. Other members support immediate recognition, provided that the comparability assessment is sufficiently robust.

On the comparability assessment itself, members request further clarification on the level of assessment required to determine whether a foreign fund is "comparable" to a fund authorised under Appendix 8. In particular, it is unclear whether foreign funds will be expected to demonstrate compliance with specific Appendix 8 requirements, such as investment restrictions, naming requirements, disclosure obligations and investor safeguards. Members recommend that MAS adopt an approach that focuses on whether the foreign fund achieves broadly comparable investor protection outcomes, rather than strict alignment with each specific Appendix 8 requirement. This would be particularly helpful given the practical challenges that may arise when comparing foreign funds, including differences in legal structure and fund form, differing liquidity and redemption arrangements, variations in valuation methodologies and valuation timing, and the use of feeder, fund-of-funds or other indirect exposure structures. IMAS recommends that MAS provide further guidance on the criteria for assessing comparability, including the extent to which equivalent overseas safeguards may be accepted in lieu of compliance with specific Appendix 8 requirements.

Multiple members also flagged the need for more specific guidance on comparability for regulated foreign fund structures such as Luxembourg Undertakings for Collective Investment in Transferable Securities (UCITS), Part II Undertakings for Collective Investment (UCIs), European Long-Term Investment Funds (ELTIFs) and other regulated alternative fund structures. These structures may have semi-liquid terms, invest in private assets or adopt alternative strategies. Members request that MAS provide guidance on the extent to which factors such as dealing frequency, valuation governance and frequency, investment and diversification requirements, leverage limits and disclosure requirements will be considered in determining comparability for such foreign fund structures.

Several members also noted that the proposed amendments, as drafted, imply that the MAS consultation process for new fund types is only available to schemes constituted in Singapore seeking authorisation. Paragraph 2.16 further implies that there must first be an existing new fund product that has been authorised by MAS before a comparable foreign fund is considered for recognition. IMAS respectfully suggests that MAS broaden its consultation process to include recognised foreign funds that are seeking retail access, even where there may not yet be a comparable authorised fund in the Singapore market, provided that the recognised fund satisfies the key criteria set out in paragraph 2.5 and has in place appropriate safeguards.

In light of the above, we respectfully recommend that MAS clarify the criteria and process for assessing comparability of foreign funds, provide specific guidance for commonly encountered foreign fund structures, and consider whether a phased approach to foreign fund recognition may be appropriate.

Any other comments / remarks:

Members are generally supportive of MAS's proposed amendments to the CIS Code, which would provide greater flexibility for retail fund product innovation while maintaining appropriate investor safeguards.

In relation to futures-based single-commodity funds, members note that MAS proposes that such funds track a well-recognised futures price index of the relevant commodity. Whilst members understand the rationale for this approach, some members request that MAS clarify whether the framework is intended to remain sufficiently flexible to accommodate alternative structures, including actively managed commodity strategies, where appropriate safeguards and disclosures are in place. IMAS recommends that MAS confirm whether the index-tracking requirement is a strict condition for all futures-based single-commodity funds, or whether there is scope for MAS to consider actively managed approaches on a case-by-case basis.

Members also request that MAS clarify whether investment-linked products governed under MAS Notice 307 would be permitted to invest in both the new fund types authorised under the proposed Alternative Funds Appendix and foreign funds recognised by MAS as comparable to such new fund types. IMAS recommends that MAS address this point, as it has implications for the distribution and accessibility of the new fund products within the insurance-linked investment space.

Thank you for completing the feedback form.

The completed form is to be sent to enquiries@imas.org.sg by 24 July 2026. Enquiries may be directed to the IMAS Secretariat at +65 6223 9353 enquiries@imas.org.sg.