



SGX Launches New Online Initiatives for Retail Investors

Singapore Exchange ("SGX") today introduced two online initiatives, "Customer Account Review Module" and "SGX Online Education programme", to support retail investors in their understanding and trading of "Specified Investment Products" listed on SGX. SGX began working on both initiatives last year, in response to the Monetary Authority of Singapore's (MAS) proposal to enhance safeguards for retail investors for Specified Investment Products. Under the proposal, MAS requires broking firms to ascertain whether a retail investor has the relevant knowledge and experience to understand the risks and features of Specified Investment Products before allowing the investor to open an account to trade Specified Investment Products listed on both securities and derivatives markets. The online initiatives have been developed in consultation with market participants including broking firms, Securities Investors Association (Singapore), and the Consumer Association of Singapore.

"Specified Investment Products"[1] are products that have terms and features that are more difficult for retail investors to understand. These include Futures, Options, Structured Warrants, Exchange-Traded Funds, and Exchange-Traded Notes.

New Online Education Programme for Retail Investors

The interactive SGX Online Education programme captures key features and risks of each SGX-listed Specified Investment Product for retail investors to better understand the products before they invest. Investors can easily access the Online Education and enhance their knowledge at their own time and pace. Towards the end of the Online Education, investors will have to answer a short list of questions to complete the programme and confirm their understanding of Specified Investment Products. Broking firms can also request their customers to go through the Online Education as part of their review process.

Customer Account Review Module to support Broking Firms

The MAS requires broking firms to conduct a Customer Account Review before selling Specified Investment Products to retail customers. SGX developed the online "Customer Account Review Module" to allow investors to easily furnish information, such as their education and professional qualifications, work experience and investment experience in a consistent and standard format, to their SGX member firm. Investors who hold trading accounts with multiple SGX member firms need only complete their information once in the Customer Account Review Module. This information, which can only be accessed by SGX member firms, provides the basis for the firms to assess whether their customers have the relevant product knowledge and investment experience to trade Specified Investment Products. Completing the Customer Account Review Module does not automatically qualify the investor to trade Specified Investment Products. SGX member firm will still have to assess whether the customers have the necessary knowledge or experience to trade Specified Investment Products listed on SGX.

"The key to every successful investment is being an informed and knowledgeable investor. The new SGX online initiatives provide new safeguards for retail investors who hope to invest in specified investment products listed on both the securities and derivatives markets. We welcome any efforts to boost the financial literacy of our retail investors in Singapore," said Mr David Gerald, President & CEO of Securities Investors Association (Singapore).

"The new Customer Account Review module provides an efficient platform for retail investors to furnish relevant information for their broking firms' review. Investors using the Customer Account Review module only need to do this once even if they have multiple trading accounts with various broking firms. The SAS is supportive of this online initiative and we trust that our investors will find value in the e-tutorial segment which explains the various underlying product features to the retail investor to help him make better investment choices," said Ms Melinda Sam, Chief Executive Officer, Securities Association of Singapore.

"We would like all our investors to be well informed of our products before they invest in them. With these initiatives, investors can access at their own time and pace, the relevant information on Specified Investment Products listed on both the securities and derivatives markets. We will update the Online Education programme as and when we introduce new products on SGX. We hope all investors will find the Online Education programme useful," said Ms Yeo Lian Sim, Chief Regulatory Officer, Singapore Exchange.

Collective Effort with the Industry

The Customer Account Review module and SGX Online Education are available on www.sgx.com/onlineeducation/specifiedinvestmentproducts, with immediate effect.

As a collective effort, participating broking firms and Securities Investors Association (Singapore) (SIAS) will host the URL link on their respective websites.

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[1] Specified Investment Products in the securities market will be marked with a "@" suffix on the SGX website and SGX Members' trading screens.