



INVESTMENT MANAGEMENT
ASSOCIATION OF SINGAPORE

FEEDBACK TO FSB CONSULTATION

A POLICY FRAMEWORK FOR ADDRESSING
SHADOW BANKING RISKS IN SECURITIES
LENDING AND REPOS

JANUARY 2013

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IMAS FEEDBACK TO FSB CONSULTATION ON A POLICY FRAMEWORK FOR ADDRESSING SHADOW BANKING RISKS IN SECURITIES LENDING AND REPOS – JANUARY 2013

The Financial Stability Board (“FSB”) has proposed recommendations, published on 18 November 2012, to address financial stability risks associated with shadow banking posed by securities lending and repos. The FSB is soliciting feedback on these proposals.

The Investment Management Association of Singapore (“IMAS”), representing more than 80% of licensed fund management companies in Singapore, appreciates the opportunity to provide feedback on the FSB’s proposed policy recommendations, and has aggregated comments from members in response to the Consultation. The main objective of IMAS is to contribute towards the development and growth of the investment management industry by fostering high standards of professionalism and promoting exemplary practice among our members.

In relation to the proposed Recommendation 5, there may likely be practical issues when disclosure to end investors is only made at a particular point in time, and therefore IMAS do not see significant benefits to the end investors, especially since information included within the prospectus will be outdated as soon as it is issued. From a disclosure perspective, IMAS suggests instead to focus on the ability to lend and the circumstances / requirements in which such activities will be made – which are already clearly disclosed within the prospectus.

Once again, IMAS thanks FSB for this opportunity to present our comments, and look forward to the conclusions of the Consultation.