

MAS Responds to Feedback on proposed enhancements to PHS Requirements and Complex Products Framework

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On 15 May 2026, the Monetary Authority of Singapore (MAS) published its response to feedback on its earlier consultation on proposed enhancements to Product Highlights Sheet (PHS) requirements and the complex products framework.

MAS has confirmed that it will proceed with a number of reforms aimed at strengthening disclosures while simplifying the investor journey. The direction of travel is clearly towards a more disclosure-based and investor-led regime. At a high level, MAS intends to enhance PHS disclosures and distribution safeguards to support informed decision-making, while removing mandatory financial advice requirements for most investors in complex products. These changes are complemented by targeted safeguards for less experienced investors, including alerts and specific protections for selected clients.

Overall, the reforms are intended to improve transparency and investor understanding through clearer disclosures, more intuitive product classification and more consistent presentation, while allowing greater autonomy for increasingly self-directed investors.

Enhancements to PHS Design and Presentation

MAS will standardise the design of PHS documents across products. This includes introducing a consistent heading band, removing the existing right-side strip to create more space for content, and narrowing the top band to accommodate issuer branding.

For complex products, MAS will introduce a light red-coloured heading band and a prominent statement indicating that the product is complex. This is intended to ensure that complexity warnings are clearly visible and easily understood by investors.

Use of Diagrams

MAS will require certain diagrams to be included in PHS for Collective Investment Schemes (excluding REITs) and Investment-Linked Policies (ILP) sub-funds. These include a diagram illustrating the impact of fees on the investor's returns and a diagram showing the key parties involved in the product structure.

While the use of diagrams in other sections remains optional, MAS strongly encourages their use where appropriate to enhance investor understanding. Some illustrative diagrams included in the templates, such as those relating to fund size or asset allocation, are not mandatory.

Enhancements to PHS Content

MAS will introduce more standardised introductory and warning statements in PHS, including clear disclosures reminding investors not to purchase products that they do not understand. In addition, all redesigned PHS will include a standardised complexity statement to ensure consistency in how product complexity is communicated across different products.

The aim is to ensure that investors receive clear, uniform messaging and are not confused by variations in wording across different PHS.

New Financial Disclosure Requirements

MAS will require financial ratios to be disclosed in PHS for certain products, including equity securities, debt securities, hybrid instruments, Post-Seasoning Bonds and Exempt Bonds. This requirement applies even where such ratios are not otherwise included in the offering documents.

MAS will adopt a principles-based approach and will not prescribe specific ratios. Instead, it will issue guidance to assist issuers in selecting appropriate metrics and to mitigate the risk of selective disclosure.

In practice, financial institutions should begin identifying relevant financial ratios for each product category and consider what processes will be required to calculate and disclose them once MAS guidance is issued.

In addition, MAS will introduce a requirement to disclose asset and revenue profiles for issuers (and guarantors where relevant), based on information available in the financial statements, and will remove the requirement to include business strategy and future plans in hybrid instruments PHS, given their limited utility to retail investors.

Alignment of PHS Requirements into Legislation

MAS has confirmed that it will incorporate PHS requirements into legislation for a broader range of products. While feedback was generally supportive, MAS has not yet addressed detailed points in this area, such as page limits or specific drafting requirements. Further clarity is expected when the final legislative amendments and updated templates are published.

New Requirements for Investment-Linked Policies

MAS will introduce a new PHS specifically for Investment-Linked Policies (ILP-PHS). This document will be issued alongside existing disclosure materials, including the ILP sub-fund PHS, product summary and policy illustration.

As highlighted in MAS' earlier consultation, the primary objective of the ILP-PHS is to improve transparency around fees and charges, which are not fully captured under the existing ILP sub-fund PHS. The ILP-PHS will be a separate, standardised document designed to provide a concise overview of key risks, features and costs, while enabling comparison across different ILPs.

Financial institutions will be required to follow a prescribed template. The ILP-PHS must also clearly disclose any conditions attached to bonus features, including potential forfeiture or claw-back provisions. To ensure comparability, fees and charges must be presented using standardised model investor profiles defined by MAS.

Financial institutions should ensure that their representatives are able to clearly explain the purpose of each document and how the different disclosures relate to one another.

MAS will also classify all ILPs as complex products, regardless of the complexity of the underlying sub-funds. This reflects the inherent structural complexity of ILPs, which combine insurance and investment features and involve multiple layers of fees and charges. The PHS will include a standardised explanation of this complexity.

Changes to the Complex Products Framework

MAS will simplify and modernise the complex products framework to make it more intuitive and user-friendly.

The existing terminology of "Excluded Investment Products" and "Specified Investment Products" will be replaced with the more intuitive labels of "non-complex" and "complex" products. In addition, the current Customer Knowledge Assessment (CKA) and Customer Account Review (CAR) will be streamlined into a single CKA framework applicable to all complex products. The underlying criteria remain largely unchanged, and existing passes under the CKA or CAR will continue to be recognised. A pass outcome will not expire.

A significant change is the removal of the requirement for mandatory financial advice where an investor does not meet the CKA criteria. Instead, investors will be able to proceed on an execution-only basis, provided that appropriate warnings are given.

MAS will introduce a simplified alert framework, including a one-off suitability warning for investors who do not meet the CKA criteria and a pre-transaction complexity disclaimer for all complex product transactions. These measures are designed to highlight product risks without overburdening the investor journey.

At the same time, MAS will introduce enhanced safeguards for Selected Clients. Financial institutions will be required to identify such clients and provide full financial advice before allowing them to invest in complex products. However, Selected Clients who pass the CKA may opt out of this requirement and proceed without advice.

Taken together, these changes reflect a deliberate move towards a regime that relies more on disclosure and investor responsibility, while retaining targeted protection measures for those who need additional support.

Timing and Implementation

MAS has not yet confirmed the implementation timeline for these reforms. The new PHS and ILP requirements are expected to take effect in connection with the broader complex products framework reforms, following a further consultation on the necessary legislative amendments. The effective date and transition period will only be confirmed once these amendments are finalised.

For Collective Investment Schemes (excluding REITs), there will be no requirement to immediately update all existing PHS to the revised templates. Instead, the updated templates will apply when a revised prospectus is lodged on or after the effective date.

Overall Takeaway

MAS' reforms represent a clear shift towards a more disclosure-focused and investor-led framework. The emphasis is on clearer and more consistent product disclosures, simplified classification and reduced reliance on mandatory advice, balanced by targeted safeguards for less experienced investors. For financial institutions, the changes will require updates to documentation, processes and client communication.

Contact us

Sonia Lim

Partner

T +65 6831 5601

E Sonia.Lim@simmons-simmons.com**Dominic Dickinson**

Supervising Associate

T +65 6831 5565

E Dominic.Dickinson@simmons-simmons.com**Norman Yap**

Supervising Associate

T +65 6831 5545

E Norman.Yap@simmons-simmons.com**Catherine Goh**

Associate

T +65 6831 5536

E Catherine.Goh@simmons-simmons.com**Louise Tudor-Edwards**

Partner

T +65 8318 6914

E Louise.Tudor-Edwards@simmons-simmons.com**Alizee Gabin**

Supervising Associate

T +65 6831 5632

E Alizee.Gabin@simmons-simmons.com**Renee Pak**

Associate

T +65 9646 9101

E Renee.Pak@simmons-simmons.com**simmons-simmons.com**

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