Unit Trust Cancellation: Use the Seven-Day Window Correctly

Description

Singaporeâ??s MAS cancellation notice generally gives an individual seven calendar days to cancel a qualifying first purchase of units in an authorised, unlisted collective investment scheme. It is not the same as an ordinary redemption, and exceptions and value changes can affect the proceeds.

This guide is written for a retail investor reconsidering a recent authorised fund purchase. It resolves a specific job: determine whether the statutory cancellation right applies and submit the correct instruction before the period ends. Start with the branch that matches the facts, then keep the supporting record until the transaction, visit, filing or safety task is complete.

Choose the branch before acting

Your situation	Next move
First qualifying purchase by an individual	Read the product notice and submit cancellation through the distributor within the period
Investor already held the same fund	Check the notice exception before assuming a new right
The order is an exchange-listed fund or another product	Use that productâ??s rules, not the authorised-CIS cancellation notice
The investor chooses ordinary redemption	Expect different charges and proceeds treatment from cancellation

Do not combine branches merely because two labels sound similar. The correct branch depends on the actual person, date, property, product, service or location involved. If one fact is unknown, pause at that row and verify it instead of carrying an assumption into the rest of the task.

Identify the product

A unit trust, listed ETF, investment-linked policy and structured deposit do not share one cancellation rule. The current position is set out by MAS Notice SFA 04/13-N01.

Use the confirmation note, product highlights sheet and fund authorisation status. Add the relevant date, document, amount, location or responsible person to the same record. That makes the choice reproducible and prevents a broad rule from being applied to the wrong facts.

Identify the purchase

The right commonly focuses on a first qualifying purchase, with specific treatment for later purchases and regular savings. The supporting detail is available from DBS notice on right to cancel a fund.

Record whether the investor already held the same fund before the transaction. Add the relevant date, document, amount, location or responsible person to the same record. That makes the choice reproducible and prevents a broad rule from being applied to the wrong facts.

Count calendar days

The period begins from the purchase agreement date under the notice, not from the day regret becomes clear.

Write every date and check the Sunday or Singapore public-holiday extension. Add the relevant date, document, amount, location or responsible person to the same record. That makes the choice reproducible and prevents a broad rule from being applied to the wrong facts.

Use the distributorâ??s cancellation route

A message to an adviser may not equal a valid submitted cancellation.

Obtain the form or authenticated instruction method and keep timestamped proof of receipt. Add the relevant date, document, amount, location or responsible person to the same record. That makes the choice reproducible and prevents a broad rule from being applied to the wrong facts.

Distinguish cancellation from redemption

Cancellation can reverse specified sales charges, while the investor can still bear market movement and the rules can cap proceeds.

Ask for a written calculation and compare it with ordinary redemption. Add the relevant date, document, amount, location or responsible person to the same record. That makes the choice reproducible and prevents a broad rule from being applied to the wrong facts.

Preserve the documents

The product notice should disclose how the right works and which exceptions apply.

Save the signed agreement, confirmation, cancellation notice, form and resulting statement. Add the relevant date, document, amount, location or responsible person to the same record. That makes the choice reproducible and prevents a broad rule from being applied to the wrong facts.

Escalate promptly

A stalled or unclear instruction becomes harder to resolve after the period.

Contact the distributorâ??s official service channel and compliance process without waiting for an adviser to respond informally. Add the relevant date, document, amount, location or responsible person to the same record. That makes the choice reproducible and prevents a broad rule from being applied to the wrong facts.

Worked example

A purchase agreement signed on Thursday 13 August starts a seven-calendar-day count from that date under the distributor notice. The investor should not infer the last valid moment from this example; the fundâ??s notice, holidays and submission cut-off must be checked.

The example is a calculation or planning model, not a promise about an individual outcome. Replace every example input with the live figure, document, route condition or case fact. Keep intermediate workings, because rounding too early or skipping one stage can produce an answer that looks plausible but cannot be checked.

Build one usable decision file

Create a short record with four columns: fact, evidence, effect on the decision and next owner. Put the controlling rule beside the particular fact it governs. A page about the right subject is not enough if it does not contain the number, deadline, eligibility test or operational detail used in the decision.

Save a dated copy or acknowledgement when the task is time-sensitive. If another person needs to continue the work, they should be able to see what was checked, what remains uncertain and which official channel can resolve it. This is especially important where contracts, money, employment, safety or personal data are involved.

Final check

1. Identify the exact fund and product type
2. Find the agreement date
3. Check previous holdings
4. Read the MAS and distributor notice
5. Count calendar days and any extension
6. Submit through the official channel
7. Keep receipt and final calculation

This is general decision support, not investment or legal advice. The MAS notice, fund documents and transaction facts control.

Related LBRD guides

You may also need to calculate the separate long-term fund costs. For the next adjacent task, verify the firm and representative independently.

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