



Monetary Authority of Singapore

**FINANCIAL ADVISERS ACT
(CAP. 110)**

**NOTICE ON MINIMUM ENTRY AND EXAMINATION
REQUIREMENTS FOR REPRESENTATIVES OF LICENSED
FINANCIAL ADVISERS AND EXEMPT FINANCIAL ADVISERS**

FREQUENTLY ASKED QUESTIONS

Disclaimer: The FAQs are meant to provide guidance to the industry on MAS' policy and administration of the FAA regime. They do not constitute legal advice. MAS expects industry participants to retain their independent legal counsel to advise them on how their business operations should be conducted in order to satisfy the legal/regulatory requirements and to advise them on all applicable laws of Singapore.

MINIMUM ACADEMIC QUALIFICATION REQUIREMENTS

Q1. For individuals who intend to apply for a representative's licence or act as an exempt financial adviser's representative, what are the minimum academic qualification requirements which they have to satisfy?

For individuals who sat for their GCE 'O' Level Examinations after the year 1980, they are required to obtain qualifications higher than or equal to at least 4 GCE 'O' Level credit passes.

For individuals who sat for their GCE 'O' Level Examinations before or during the year 1980 and did not satisfy the 4 GCE 'O' Level credit passes, they will be allowed to apply for a representative's licence or to act as an exempt financial adviser's representative if they have obtained at least 2 GCE 'O' Level credit passes and a pass in the Basic Competency Examination administered by the Singapore College of Insurance. Please refer to paragraphs 12 and 24 of the Notice for details.

Q2. I was previously a broking staff carrying on direct life insurance broking activities but I have left the industry since November 2001. I do not satisfy the minimum academic qualification requirements but I intend to join a licensed financial adviser to carry out the same activities. Will MAS consider my application for a representative's licence?

As long as you were carrying out direct life insurance broking activities before 1 October 2001 and subsequently ceased to carry out such activity between 1 October 2001 and 30 September 2002, MAS will consider your application for the grant of a representative's licence provided you satisfy the other minimum entry requirements specified in the Notice. Please refer to paragraphs 11, 12 and 13 of the Notice for more details.

Q3. Can the GCE 'O' Level credit passes required under the minimum academic qualification requirements be obtained from more than one sitting?

Yes.

Q4. I have never engaged in the provision of financial advisory services but am keen to apply for a representative's licence under the FAA. I do not have 4 GCE 'O' Level credit passes. What should I do?

If you have sat for your GCE 'O' Level Examinations before or during the year 1980 and have obtained at least 2 GCE 'O' Level credit passes, you will need to pass the Basic Competency Examination before you can apply for a representative's licence under the FAA.

If you have sat for your GCE 'O' Level Examinations after the year 1980, you will need to have at least 4 GCE 'O' Level credit passes or its equivalent before you can apply for a representative's licence under the FAA

Q5. I have obtained 3 GCE 'O' Level credit passes. Can I act as an exempt financial adviser's representative?

If you have sat for your GCE 'O' Level Examinations before or during the year 1980, you are allowed to act as an exempt financial adviser's representative only if you pass the Basic Competency Examination. This is subject to you satisfying the other minimum entry and CMFAS Exam requirements stipulated in the Notice,

If you have sat for your GCE 'O' Level Examinations after the year 1980, you will need to have at least 4 GCE 'O' Level credit passes or its equivalent before you can act as an exempt financial adviser's representative

CMFAS EXAM REQUIREMENTS

Q1. Is there any exemption under the CMFAS Exam requirements for a person who possesses a degree, professional qualification or relevant work experience?

If you possess the specified qualifications or work experience stipulated in the Notice, you will be exempt from the requirement to pass certain product knowledge and analysis modules under the CMFAS Exam. Details are available at Annexes 1-3 of the Notice.

Q2. I intend to apply for a representative's licence to issue research reports concerning investment products. Which modules of the CMFAS Exam do I have to pass?

Persons who issue or promulgate analyses or reports are not required to comply with the CMFAS Exam requirements.

Q3. I intend to apply for a representative's licence to provide advice on foreign exchange and leveraged foreign exchange. How does the CMFAS Exam affect me?

Persons who provide advice on foreign exchange and leveraged foreign exchange are not required to comply with the CMFAS Exam requirements.

Q4. How would the CMFAS Exam requirements affect me if I am currently employed with a company that acts as a financial adviser in giving advice and issuing reports on any investment products (other than life policies), to not more than 30 accredited investors under regulation 27(1)(d) of the Financial Advisers Regulations 2002?

The CMFAS Exam requirements do not apply to you. The CMFAS Exam requirements only apply to individuals intending to provide financial advisory services on behalf of a licensed financial adviser or exempt financial adviser (i.e. a person who is exempt from holding a financial adviser's licence under section 23(1)(a) – (e) of the FAA). Should you subsequently apply for a representative's licence or if you intend to commence the provision of financial advisory services with an exempt financial adviser, you will have to comply with the CMFAS Exam requirements.

Q5. I am exempt from holding a representative's licence for giving advice on bonds to accredited investors. Am I subject to the CMFAS Exam requirements?

The CMFAS Exam requirements do not apply to you so long as you confine your activity to giving advice on bonds to (i) a person whose business involves the acquisition and disposal of, or the holding of, capital markets products; or (ii) an accredited investor. This is spelt out in paragraphs 17 and 30 of the Notice.

Q6. I am joining a bank to provide advice on Singapore Government securities. Do I have to pass any CMFAS Exam?

No. Please refer to paragraphs 17 and 30 of the Notice.

Q7. I have passed the CMFAS Exam more than 3 years ago. Do I have to re-take the CMFAS Exam if I wish to carry out the relevant financial advisory services now.

You will have to re-take and pass Module 5 of the CMFAS Exam before commencing the provision of financial advisory services. However, you are not required to re-take the Module(s) on product knowledge.

Q8. I was employed with a licensed FA/Exempt FA to carry out financial advisory services under the FAA on 1 Oct 02. I was required to complete a non-examinable course on Module 5 by the stipulated deadline in cancelled Notice No. FAA-N04 (Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers) but I left the company without completing the non-examinable course. Can I take a non-examinable course now if I wish to re-commence the provision of financial advisory services.

If you intend to re-commence the provision of financial advisory services, you are required to pass Module 5.

Q9. I was employed with a licensed FA/Exempt FA to carry out financial advisory services under the FAA on 1 Oct 02 and have completed the non-examinable course on Module 5. I subsequently ceased carrying out financial advisory services. Do I have to re-take Module 5 if I wish to join a licensed FA/Exempt FA to conduct the same financial advisory service in future.

Your completion of the non-examinable course will be valid for 3 years following your cessation of the financial advisory service. This means that you would not be required to re-take Module 5 if you re-commence the provision of financial advisory services with a licensed FA or an exempt FA within 3 years from the date of your cessation.

Q10. Will existing licensees applying to add on new financial advisory services be “exempted” from passing the CMFAS Exam?

They are required to pass the relevant product knowledge modules under the CMFAS Exam before they can commence the provision of the new financial advisory services.

Q11. I have passed the TRE, IRE and FE but I have not applied for a representative’s licence, am I affected by the CMFAS Exam?

You will not be required to pass Module 6 and 7 respectively if you have passed Paper II of the TRE/IRE, and Paper III of FE. However, you will be required to pass Module 5.

Q12. I am currently providing advice on and arranging life policies (excluding investment-linked life insurance policies). I intend to expand my activity to include advising on and arranging investment-linked life insurance policies. What should I do?

You are required to pass Module 9 of the CMFAS Exam.

Q13. For new representatives of banks, merchant banks and finance companies who intend to commence the provision of advice on securities and/or marketing of collective investment schemes, what examination requirements are they subject to?

They are required to pass Modules 5, 6 & 8 of the CMFAS Exam.

Q14. For new representatives of banks, merchant banks and finance companies who intend to provide advice on and arranging life policies (including investment-linked life insurance policies), what examination requirements are they subject to?

They are required to pass Modules 5 and 9 of the CMFAS Exam.

Q15. Is continuing education required for the renewal of a representative's licence under the FAA?

Yes.

Q16. For persons who provide financial advisory services to specific groups of persons as stipulated in paragraphs 17 and 30 of the Notice, are they required to comply with the continuing education requirements?

Yes.

Q17. MAS expects representatives who engage in the provision of financial advisory services to undergo continuing education. Are there any guidelines on the types of courses these representatives are required to attend and is there a requirement for them to undergo a certain number of hours of continuous education per year?

MAS is prepared to accept any relevant training courses undertaken by the representatives, including talks, conferences, seminars and courses conducted in-house or by external organisers. The training courses can be of any duration. However, representatives who provide advice on and/or arrange life policies are expected to observe the Guidelines on Company's Training and Competency ("T&C") Plan for Life Insurance Advisors issued by the Life Insurance Association of Singapore.