



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. What are the minimum academic qualification requirements for appointed representatives?

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 must 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 the FAA Notice of Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers (Notice FAA-N13) for details.

Q2. Can the GCE 'O' Level credit passes required under the minimum academic qualification requirements be obtained from more than one sitting?

Yes.

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 of Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers (Notice FAA-N13), you will be exempt from the requirement to pass certain product knowledge and analysis modules under the CMFAS Exam. Details are available at Annexes of the Notice.

Q2. I intend 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 provide advice on foreign exchange and leveraged foreign exchange. How does the CMFAS Exam affect me?

The CMFAS Exam requirements do not apply to you if you provide advice on foreign exchange. You have to satisfy the CMFAS Exam requirements if you provide advice (other than through issuing or promulgating research reports) on leveraged foreign exchange.

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 or exempt financial adviser (i.e. a person who is exempt from holding a financial adviser's licence under section 23(1)(a) to (e) of the FAA).

Q5. I provide advice on bonds to accredited investors. Am I subject to the CMFAS Exam requirements?

No.

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

No.

Q7. I have passed the CMFAS Exam more than 3 years ago and have not commenced any regulated activities. Do I have to re-take the CMFAS Exam if I wish to carry out the relevant financial advisory services now.

You have to re-take and pass Module 5 of the CMFAS Exam before commencing the provision of financial advisory services. You are not

required to re-take the Module(s) on product knowledge. However, with effect from 1 January 2012, you have to pass Module 6A, 8A or 9A depending on the type of investment products that you wish to provide advice on.

Q8. I was employed with a licensed FA/Exempt FA to carry out financial advisory services under the FAA on 1 October 2002. 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 October 2002 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 will 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. With effect from 1 January 2012, you are required to pass Module 6A, 8A or 9A depending on the type of investment products that you wish to provide advice on.

Q10. Will existing representatives intending to conduct additional 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 new

financial advisory services.

Q11. 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. With effect from 1 January 2012, you are also required to pass Module 9A of the CMFAS Exam.

Q12. For persons 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 and 8 of the CMFAS Exam. With effect from 1 January 2012, they are also required to pass Module 8A, as well as Module 6A where they are advising on securities (excluding collective investment schemes) which are Specified Investment Products.

Q13. For persons who intend to provide advice on and arrange 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. With effect from 1 January 2012, they are also required to pass Module 9A.

Q14. MAS expects appointed representatives who engage in the provision of financial advisory services to undergo continuing education. Are there any guidelines on the types of courses these appointed 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 appointed representatives, including talks, conferences, seminars and courses conducted in-house or by external organisers. The training courses can be of any duration. However, appointed representatives who provide advice on and/or arrange life policies are expected to observe the Guidelines on Company's Training and Competency Plan for Life Insurance Updated on 25 January 2012

Advisors issued by the Life Insurance Association of Singapore.

Q15. I am currently providing financial advisory services on securities (which include Specified Investment Products) and futures contracts. I understand that I have until 30 June 2013 to pass Module 6A. Can I still continue providing financial advisory services on securities (which include Specified Investment Products) and futures in the interim?

You have until 30 June 2013 to pass Module 6A. In the interim, you will still be allowed to continue advising on securities (which include any Specified Investment Product) and futures contracts. If you have not passed Module 6A by 30 June 2013, you will only be allowed to provide financial advisory services on securities which are Excluded Investment Products. You are not allowed to provide financial advisory services on securities which are Specified Investment Products or futures contracts until you pass Module 6A.

Q16. I would like to submit a notification to carry on providing financial advisory services on securities which are Specified Investment Products for accredited investors. Do I have to pass Module 6A?

You must pass Module 6A if you are a financial adviser providing financial advisory services on securities which are Specified Investment Products. You do not have to pass Module 6A if you confine your provision of financial advisory services on securities solely to customers who are accredited investors, institutional investors or expert investors, or if you possess certain qualifications as set out in paragraph 18B of the FAA Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers (Notice FAA-N13).

Q17. I am currently an appointed representative providing financial advisory services on futures contracts and wish to submit a notification to expand my activity to include advising on leveraged foreign exchange. Which module should I take?

As an existing appointed representative providing financial advisory services on futures contracts, you have until 30 June 2013 to pass Module 6A. If you wish to expand your financial advisory services to include leveraged foreign exchange trading, you have to pass Module 6A before you can submit your notification to add the provision of financial advisory services on

leveraged foreign exchange trading.

Q18. I am currently an appointed representative providing financial advisory services on securities which are Specified Investment Products to customers who are not accredited investors. I have been providing financial advisory services on securities for more than 3 years and hold a bachelor degree in finance. I would like to know whether I can be granted exemption from having to pass Module 6A based on Annex 1A of the Notice.

You are required to pass Module 6A if you are providing financial advisory services on securities that are Specified Investment Products to customers who are not accredited investors. You will be exempted from the requirement to pass Module 6A if you possess certain qualifications as set out in paragraph 18B of the FAA Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers (Notice FAA-N13).

Q19. I am currently an appointed representative providing financial advisory services on futures contracts. If I wish to leave my current principal and continue providing financial advisory services on futures contracts with another principal company, do I need to pass Module 6A before I can submit my notification with a new principal?

As an existing appointed representative providing financial advisory services on futures contracts as of 1 January 2012, you have until 30 June 2013 to pass Module 6A. If you move to another principal company before 30 June 2013 and confine your financial advisory services only with regards to futures contracts, you still have until 30 June 2013 to pass Module 6A. If you wish to expand your financial advisory services to include leveraged foreign exchange trading after 1 January 2012, you have to pass Module 6A before you can submit your notification with the new principal.

Q20. I was informed by IBF that from 1 January 2012, they will discontinue Module 7 of the CMFAS. I have passed Module 7 before 1 January 2012. Can I still submit my notification to provide financial advisory on futures contracts in January 2012?

Yes. If you submit your notification before 1 January 2012, your notification will be processed provided you meet the other requirements to be

an appointed representative. If you submit your application on or after 1 January 2012, you have to pass the relevant modules of the CMFAS Exam.

Q21. If I currently possess a qualification listed in Annex 1A, 3A, or 4A and have been exempted from Modules 6, 8 or 9, will I continue to be exempted from the relevant exams on and after 1 January 2012?

Yes. You are not required to pass Module 6, 8, or 9.

Q22. I currently possess a qualification listed in Annex 2A. Will I continue to qualify for exemption from Module 7 on and after 1 January 2012?

As Module 7 will be discontinued and replaced with Module 6A on 1 January 2012, the exemption from Module 7 will only be applicable until 1 January 2012. You will be exempted from the requirement to pass Module 6A if you possess certain qualifications as set out in paragraph 18B of the FAA Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers (Notice FAA-N13).

Q23. If I currently possess a qualification listed in Annex 1, 2, 3 or 4 but the qualification is not listed in Annex 1A, 2A, 3A or 4A, am I required to pass Module 6, 7, 8 or 9 respectively on and after 1 January 2012?

You are required to pass Module 6, 7, 8 or 9, unless –

- (i) you are an existing appointed representative who have been conducting relevant regulated activity immediately before 19 October 2011 and continue to conduct such regulated activities on or after 19 October 2011;
- (ii) your principal has lodged with the Authority documents under section 23F of the Act, in relation to your appointment as an appointed representative before 1 January 2012; or
- (iii) there is no break in service of more than 6 months between your last working experience as a representative conducting relevant regulated activities and the date of your principal's lodgment with the Authority of documents under section 23F of the Act, in relation to your appointment as an appointed representative.

Module 7 will be discontinued and replaced with Module 6A with effect from 1 January 2012. You will be exempted from the requirement to pass Module 6A if you possess certain qualifications as set out in paragraph 18B of the FAA Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers (FAA-N13).

[updated in November 2011]

Q24. May I know whether degrees which include finance-related content would qualify for exemption from M6A, M8A or M9A?

Only a degree or higher qualification majoring in finance, financial engineering or computational finance will qualify for exemption as stated in paragraph 18B of the FAA Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Adviser and Exempt Financial Adviser (Notice FAA-N13). Other degrees with a minor or module in finance or finance-related content will not be recognized for exemption. The exemption list for the new modules has been kept focused on the finance discipline to effectively raise minimum standards, in keeping with the intent of enhancing representatives' knowledge of complex products that they advise on. We note that most tertiary programmes in financial engineering or computational finance are offered at the postgraduate level.

[updated in January 2012]