



Monetary Authority of Singapore

**FINANCIAL ADVISERS ACT
(ACT 43 OF 2001)**

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

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

1 This Notice is issued pursuant to section 56 of the Financial Advisers Act (Act 43 of 2001) [“the Act”].

2 Part I of this Notice shall apply to all licensed financial advisers and licensed representatives and Part II of this Notice shall apply to persons who are exempt from holding a financial adviser’s licence under section 23(1)(a) to (e) of the Act.

3 This Notice sets out the following:

- (a) Minimum entry requirements for persons intending to provide financial advisory services under the Act;
- (b) Application of the Capital Markets and Financial Advisory Services Examination (“CMFAS Exam”) requirements to persons intending to provide financial advisory services under the Act;
- (c) Circumstances under which the CMFAS Exam requirements do not apply;
- (d) Transitional arrangements for implementation of the CMFAS Exam requirements;
- (e) Maintenance of a register by financial advisers; and
- (f) Continuing education requirements for representatives.

DEFINITIONS

4 For the purposes of this Notice:

“CMFAS Exam requirements” means the requirement to pass the applicable modules of the CMFAS Exam.

“execution activities” means any or all of the following activities as defined in section 2(1) of the Securities and Futures Act (Cap.289):

- (a) dealing in securities; or
- (b) trading in futures contracts.

[FAA-N04(Amendment) 2003]

“financial adviser” means a licensed financial adviser or a person exempt from holding a financial adviser’s licence under section 23(1)(a) to (e) of the Act ;

“financial advisory service” means all or any of the services specified in the Second Schedule to the Act;

“investment product” has the same meaning as in section 2(1) of the Act, which is:

- (a) any capital markets product as defined in section 2(1) of the Securities and Futures Act 2001 (Act 42 of 2001);
- (b) any life policy as defined in the First Schedule to the Insurance Act (Cap. 142); or
- (c) any other product as may be prescribed by regulations made under the Act; and

“representative” has the same meaning as in section 2(1) of the Act.

APPLICATION OF CMFAS EXAM REQUIREMENTS

5 The CMFAS Exam will commence on 1 December 2002. It comprises 9 modules, of which Modules 5 to 9 are applicable under the Act.

Module	CMFAS Exam
Rules & Regulations	
1	Rules and Regulations for Dealing in Securities
2	Rules and Regulations for Trading in Futures Contracts
3	Rules and Regulations for Fund Management
4A	Rules and Regulations for Advising on Corporate Finance
4B	Rules and Regulations for Advising on Corporate Finance (Solely Debt Securities)
5	Rules and Regulations for Financial Advisory Services

Module	CMFAS Exam
Product Knowledge & Analysis	
6	Securities Products and Analysis
7	Futures Products and Analysis
8	Collective Investment Schemes
9	Life Insurance and Investment-Linked Policies

6 The Institute of Banking and Finance (“IBF”) will administer Modules 6 and 7 while the Singapore College of Insurance (“SCI”) will administer Modules 5, 8 and 9. Details of the syllabus and examination format of these modules may be obtained from IBF and SCI.

7 The following table sets out the applicable modules under the CMFAS Exam for the following types of financial advisory service:

- (a) Advising others, either directly or through publications or writings, in electronic, print or other form, concerning the following investment products, other than advising on corporate finance within the meaning of the Securities and Futures Act 2001 (Act 42 of 2001):
 - (i) Futures contracts;
 - (ii) Life policies;
 - (iii) Securities including collective investment schemes;
- (b) Marketing of any collective investment scheme; and
- (c) Arranging of any contract of insurance in respect of life policies.

TYPES OF FINANCIAL ADVISORY SERVICE	MODULE				
	Rules & Regulations	Product Knowledge & Analysis			
	5	6	7	8	9
Advising others concerning securities (excluding collective investment schemes)		✓			
Advising others concerning futures contracts			✓		
Advising on and/or marketing of collective investment schemes				✓	
Advising on and/or arranging life policies (whether or not including investment-linked life insurance policies)					✓

8 MAS Notice 117 (Training and Competency Requirement: Health Insurance Module) dated 31 December 2002 issued under the Insurance Act (Cap. 142) shall apply to representatives of financial advisers who are involved in providing advice on any life policy which includes any or all of the following benefits:

- (a) reimbursement of medical expenses;
- (b) income or monies during disability;
- (c) monies to defray the cost of long-term care;
- (d) monies on the occurrence of critical illness.

MAS Notice 117 will require such representatives to obtain the qualification in Health Insurance before they can provide advice on or arrange such policies, unless the representatives fall under paragraph 7 or 8 of the Notice.

[FAA-N04 (Amendment) 2002]

DISCONTINUATION OF EXAMINATIONS UNDER THE SECURITIES INDUSTRY ACT, FUTURES TRADING ACT, INSURANCE ACT AND INSURANCE INTERMEDIARIES ACT REGULATORY REGIMES (“OLD EXAMINATION”)

9 With effect from 1 October 2002, Paper I of the Trading Representatives’ Examination (“TRE”), Investment Representatives’ Examination (“IRE”), and Futures Examination (“FE”) on rules and regulations offered by IBF will be discontinued.

10 Paper II of the TRE and IRE, and Paper III of the FE on product knowledge and analysis will continue to be offered by IBF until 30 November 2002.

11 The following examinations will continue to be offered by SCI until 30 November 2002 for individuals who intend to provide advice on life policies, arrange contracts of insurance in respect of life policies or carry out both these activities:

- (a) Certificate in Life Insurance
- (b) Certificate in Life Insurance (Investment-linked Life Insurance Policies)
- (c) Certificate in Financial Needs Analysis

**PART I – APPLICABLE TO ALL LICENSED
FINANCIAL ADVISERS AND LICENSED
REPRESENTATIVES**

MINIMUM ENTRY REQUIREMENTS

12 The Authority may refuse an application for the grant of a representative's licence if the applicant:

- (a) is not at least 21 years old;
- (b) has not satisfied the minimum academic qualification requirements set out under paragraph 12A of this Notice; and
[FAA-N04 (Amendment02) 2003]
- (c) has not complied with the examination requirements of this Notice.

12A For the purpose of paragraphs 12(b) and 13 of this Notice, minimum academic qualification requirements are as follows:

- (a) in the case of an applicant who sat for GCE 'O' Level Examinations before or during the year 1980 –
 - (i) qualifications higher than or equal to at least 4 GCE 'O' Level credit passes; or
 - (ii) qualifications higher than or equal to at least 2 GCE 'O' Level credit passes and a pass in the Basic Competency Examination administered by the SCI; or
- (b) in any other case, qualifications higher than or equal to at least 4 GCE 'O' Level credit passes.

[FAA-N04 (Amendment02) 2003]

13 Notwithstanding paragraph 12b, in deciding whether to approve an application for the grant of a representative's licence, the Authority shall not require an applicant to satisfy the minimum academic qualification requirements set out under paragraph 12A of this Notice if the applicant:

[FAA-N04 (Amendment02) 2003]

- (a) has been carrying out any activity immediately before 1 October 2002 which would have amounted to the provision of any financial advisory service had the Act been in force at that time; or

- (b) was carrying out any activity immediately before 1 October 2001 which would have amounted to the provision of any financial advisory service had the Act been in force at that time but has since ceased to carry out such activity between 1 October 2001 and 30 September 2002 (both dates inclusive).

APPLICATION OF CMFAS EXAM REQUIREMENTS

14 With effect from 1 December 2002, the Authority may refuse an application:

- (a) for the grant of a representative's licence;
- (b) to add to the type of financial advisory service authorised to be provided by a representative's licence; or
- (c) to vary a condition imposed on a representative's licence,

(referred to in this Notice as "the Application") for the purpose of providing any financial advisory service referred to in paragraph 7 of this Notice if the applicant has not complied with the CMFAS Exam requirements.

CIRCUMSTANCES UNDER WHICH THE CMFAS EXAM REQUIREMENTS DO NOT APPLY

15 In deciding whether to approve the Application, the Authority shall not require an applicant to pass the applicable modules of the CMFAS Exam if the applicant:

- (i) possesses specified qualifications or work experience; or
- (ii) provides financial advisory services to specific groups of persons.

Details are set out in paragraphs 16 and 17 below.

Possess Specified Qualifications or Work Experience

16 Applicants who possess any of the qualifications or work experience listed in Annexes 1, 2 and 3 are not required to pass the

applicable product knowledge and analysis modules of the CMFAS Exam.

Provision of Financial Advisory Services to Specific Groups of Persons

17 Applicants who fall within any of the following categories of persons are not required to comply with the CMFAS Exam requirements:

- (a) Individuals who provide financial advisory services in respect of:
 - (A) any capital markets product to:
 - (i) a person whose business involves the acquisition and the disposal of, or the holding of, capital markets products (whether as principal or as agent); or
 - (ii) an accredited investor; or
 - (B) any life policy to an accredited investor.
- (b) Individuals referred to in regulation 31 of the Financial Advisers Regulations 2002 (G.N. No. S462/2002) [“FAR”] in respect of their carrying out of any introducing activity.

RE-TAKING OF MODULE 5

18 In deciding whether to approve an application for the grant of a representative’s licence, the Authority shall require an applicant who:

- (a) has passed Module 5 of the CMFAS Exam but did not apply for a representative’s licence within 3 years of the date of passing that module; or
- (b) has passed Module 5 of the CMFAS Exam but did not commence the provision of financial advisory services with an exempt financial adviser within 3 years of the date of passing that module.

to re-take and pass Module 5.

TRANSITIONAL ARRANGEMENTS FOR IMPLEMENTATION OF THE CMFAS EXAM REQUIREMENTS

19 The following paragraphs set out the transitional arrangements to ensure a smooth transition from the old examination requirements to the CMFAS Exam requirements.

Existing Representatives

20 Any individual who has been carrying out any activity immediately before 1 October 2002 which would have amounted to the provision of any financial advisory service referred to in paragraph 7 of this Notice had the Act been in force at that time (referred to in this Notice as “existing representative”) is not required to comply with the CMFAS Exam requirements in respect of the provision of those financial advisory services. However, the existing representative shall complete a non-examinable course on Module 5 of the CMFAS Exam by 30 November 2003, in lieu of passing Module 5.

21 Existing representatives may attend the non-examinable course on Module 5 organised by SCI. Alternatively, existing representatives may attend an in-house course conducted by the financial advisers for which they act or by trainers appointed by their financial advisers. Licensed financial advisers shall ensure that the in-house courses conducted by them or the trainers appointed by them meet the following requirements:

- (a) Each course must be at least 3 hours in duration and be based on the contents of SCI’s study guides and textbooks for Module 5; and
- (b) Individuals appointed to conduct the training course must be proficient in the subject matter tested in Module 5, and must have passed Module 5, or otherwise possess the relevant expertise and experience.

22 In deciding whether to approve an application submitted by an existing representative between 1 October 2002 and 30 November 2002 (both dates inclusive) to add to the type of financial advisory service authorised to be provided by his representative’s licence or to vary a condition imposed on his representative’s licence, the Authority shall require the existing representative to pass the applicable product knowledge and analysis papers under the old examination requirements

set out in paragraphs 10 and 11, unless he is not required to pass these papers under the old examination requirements.

23 With effect from 1 December 2002, an existing representative who has submitted an application to add to the type of financial advisory service authorised to be provided by his representative's licence or to vary a condition imposed on his representative's licence is required to pass the applicable product knowledge and analysis modules under the CFMAS Exam, unless he is not required to pass these modules based on the exclusions set out in paragraphs 16 and 17.

Applications for a Representative's Licence which are Pending as at 1 October 2002

24 Applications for the grant of a representative's licence which are pending as at 1 October 2002 will be processed so long as the applicants have passed the applicable product knowledge and analysis papers under the old examination requirements set out in paragraphs 10 and 11 or are not required to pass these papers under the old examination requirements. Subsequent to the grant of the licence, the representatives shall complete a non-examinable course on Module 5 of the CMFAS Exam by 30 November 2003 in accordance with paragraph 21, in lieu of passing Module 5.

Applications for a Representative's Licence Submitted Between 1 October 2002 and 30 November 2002 (Both Dates Inclusive)

25 Applicants who submit an application for the grant of a representative's licence between 1 October 2002 and 30 November 2002 (both dates inclusive) are required to pass the applicable product knowledge and analysis papers under the old examination requirements set out in paragraphs 10 and 11, unless they are not required to pass these papers under the old examination requirements. Subsequent to the grant of the licence, these representatives shall pass Module 5 of the CMFAS Exam by 31 May 2003. However, this requirement shall not apply to representatives who:

- (a) have passed the applicable rules and regulations papers under the old examination requirements set out in paragraph 9 at any time during a period of 2 years before the date of application; or

- (b) have carried out any activity at any time during a period of 2 years before the date of application which would have amounted to the provision of the financial advisory service to be provided had the Act been in force at that time with a corporate entity licensed and/or registered under the repealed Securities Industry Act (Cap. 289), Futures Trading Act (Cap. 116) or Insurance Intermediaries Act (Cap. 142A).

Instead, these representatives shall, subsequent to the grant of the licence, complete a non-examinable course on Module 5 of the CMFAS Exam by 30 November 2003 in accordance with paragraph 21, in lieu of passing Module 5.

Applications for a Representative's Licence Submitted On or After 1 December 2002

26 The Authority may refuse an application for the grant of a representative's licence submitted on or after 1 December 2002 if the applicant has not complied with the CMFAS Exam requirements.

27 Applicants who submit an application for a representative's licence between 1 December 2002 and 30 November 2003 (both dates inclusive) and satisfy any of the following conditions:

- (i) have passed the applicable rules and regulations papers under the old examination requirements set out in paragraph 9 at any time within a period of 1 year before the date of application;
- (ii) have ceased carrying out any activity which would have amounted to the provision of financial advisory service to be provided had the Act been in force at that time before 1 October 2002 with a corporate entity licensed and/or registered under the repealed Securities Industry Act (Cap. 289), Futures Trading Act (Cap. 116) or Insurance Intermediaries Act (Cap. 142A) and have subsequently applied for the representative's licence under the Act to provide that type of financial advisory service at any time within a period of 1 year from the date of cessation; or
- (iii) have been subject to the requirement to complete a non-examinable course on Module 5 of the CMFAS Exam by 30 November 2003, in lieu of passing Module 5 but have

not completed the course prior to the cessation of the provision of financial advisory services,

shall, subsequent to the grant of the licence, complete a non-examinable course on Module 5 of the CMFAS Exam by 30 November 2003 in accordance with paragraph 21, in lieu of passing Module 5.

MAINTENANCE OF A REGISTER BY LICENSED FINANCIAL ADVISERS

28 All licensed financial advisers shall maintain a register of their representatives who have completed a non-examinable course on Module 5, in lieu of passing Module 5. They shall enter in the register the following information:

- (a) the types of financial advisory service provided by each representative; and
- (b) the date of completion of the course by each representative.

CONTINUING EDUCATION REQUIREMENTS FOR REPRESENTATIVES

29 MAS expects representatives engaged in the provision of financial advisory services to keep abreast of developments in the industry and acquire new skills and knowledge relevant to their activities. In this regard, representatives are expected to undergo continuing education. Continuing education undergone by representatives is a factor which the Authority will take into consideration in reviewing their applications for the renewal of their representative's licences.

30 In addition, representatives providing advice and/or arranging life policies are expected to observe the Guidelines on Continuing Professional Development Requirement for Life Insurance Advisors issued by the Life Insurance Association of Singapore.

[FAA-N04(Amendment) 2003]

**PART II – APPLICABLE TO PERSONS WHO ARE
EXEMPT FROM HOLDING A FINANCIAL ADVISER'S
LICENCE UNDER SECTION 23(1)(a) TO (e) OF THE
ACT**

MINIMUM ENTRY REQUIREMENTS

31 An exempt financial adviser shall ensure that all its representatives:

- (a) are at least 21 years old;
- (b) have each satisfied the minimum academic qualification requirements set out under paragraph 31A of this Notice;
[FAA-N04 (Amendment02) 2003]
- (c) are fit and proper persons for the purpose of providing financial advisory services on its behalf; and
- (d) have complied with the examination requirements of this Notice.

31A For the purpose of paragraphs 31(b) and 32 of this Notice, minimum academic qualification requirements are as follows:

- (a) in the case of a representative who sat for GCE 'O' Level Examinations before or during the year 1980 –
 - (i) qualifications higher than or equal to at least 4 GCE 'O' Level credit passes; or
 - (ii) qualifications higher than or equal to at least 2 GCE 'O' Level credit passes and a pass in the Basic Competency Examination administered by the SCI; or
- (b) in any other case, qualifications higher than or equal to at least 4 GCE 'O' Level credit passes.

[FAA-N04 (Amendment02) 2003]

32 Notwithstanding paragraph 31(b) of this Notice, an exempt financial adviser may allow the following persons who have not satisfied the minimum academic qualification requirements set out under paragraph 31A of this Notice to act as its representatives:

[FAA-N04 (Amendment02) 2003]

- (a) individuals who have been carrying out any activity immediately before 1 October 2002 which would have

amounted to the provision of any financial advisory service had the Act been in force at that time; or

- (b) individuals who were carrying out any activity immediately before 1 October 2001 which would have amounted to the provision of any financial advisory service had the Act been in force at that time but have since ceased to carry out such activity between 1 October 2001 and 30 September 2002 (both dates inclusive).

APPLICATION OF CMFAS EXAM REQUIREMENTS

33 With effect from 1 December 2002, an exempt financial adviser shall ensure that its representatives providing any financial advisory service referred to in paragraph 7 of this Notice comply with the CMFAS Exam requirements.

CIRCUMSTANCES UNDER WHICH THE CMFAS EXAM REQUIREMENTS DO NOT APPLY

34 An exempt financial adviser may allow an individual who:

- (a) possesses specified qualifications or work experience; or
- (b) provides financial advisory services to specific groups of persons,

to act as its representative notwithstanding that he has not passed the applicable modules of the CMFAS Exam. Details are set out in paragraphs 35 and 36 below.

Possess Specified Qualifications or Work Experience

35 An exempt financial adviser may allow individuals who possess any of the qualifications or work experience listed in Annexes 1, 2 and 3 to act as its representatives notwithstanding that they have not passed the applicable product knowledge and analysis modules of the CMFAS Exam.

Provision of Financial Advisory Services to Specific Groups of Persons

36 An exempt financial adviser may allow individuals falling within any of the following categories to act as its representatives notwithstanding that these representatives have not complied with the CMFAS Exam requirements:

- (a) Individuals working in a Unit of an exempt financial adviser referred to in regulation 36 of the Financial Advisers Regulations 2002 (G.N. No. S462/2002) [‘FAR’] in respect of the provision of financial advisory services referred to in paragraph 7 of this Notice only to the clients to whom services are provided by the Unit.
- (b) Individuals who provide financial advisory services in respect of:
 - (A) any capital markets product to:
 - (i) a person whose business involves the acquisition and the disposal of, or the holding of, capital markets products (whether as principal or as agent); or
 - (ii) an accredited investor; or
 - (B) any life policy to an accredited investor.
- (c) Individuals referred to in regulation 31 of the FAR in respect of their carrying out of any introducing activity.

36A Until 31 March 2004 (inclusive), persons exempt from holding a financial adviser’s licence under section 23(1)(a), (b), (d) or (e) of the Act may allow individuals to act as their representatives notwithstanding that such individuals have not complied with the CMFAS Exam requirements but only where such individuals act as their representatives in carrying on the business of providing advice, that is solely incidental to their execution activities, on securities quoted on a securities exchange or recognised trading system provider or futures contracts.”

[FAA-N04(Amendment) 2003]
[FAA-N04(Amendment03) 2003]

RE-TAKING OF MODULE 5

37 An exempt financial adviser shall ensure that the following individuals re-take and pass Module 5 of the CMFAS Exam before allowing them to provide, on its behalf, any financial advisory service referred to in paragraph 7 of this Notice:

- (a) individuals who have passed Module 5 of the CMFAS Exam but did not apply for a representative's licence within 3 years of the date of passing that module; or
- (b) individuals who have passed Module 5 of the CMFAS Exam but did not commence the provision of financial advisory services with an exempt financial adviser within 3 years of the date of passing that module.

TRANSITIONAL ARRANGEMENTS FOR IMPLEMENTATION OF THE CMFAS EXAM REQUIREMENTS

38 The following paragraphs set out the transitional arrangements to ensure a smooth transition from the old examination requirements to the CMFAS Exam requirements.

Existing Representatives

39 An exempt financial adviser may allow individuals who have been carrying out any activity immediately before 1 October 2002 which would have amounted to the provision of any financial advisory service referred to in paragraph 7 of this Notice had the Act been in force at that time (referred to in this Notice as "existing representatives") to act as its representatives notwithstanding that these individuals have not complied with the CMFAS Exam requirements in respect of the provision of these financial advisory services. However, it shall ensure that its existing representatives complete a non-examinable course on Module 5 of the CMFAS Exam by 30 November 2003, in lieu of passing Module 5.

40 Existing representatives may attend the non-examinable course on Module 5 organised by SCI. Alternatively, existing representatives may attend an in-house course conducted by the financial advisers for which they act or by trainers appointed by their financial advisers. Exempt financial advisers shall ensure that the in-house courses conducted by them or the trainers appointed by them meet the following requirements:

- (a) Each course must be at least 3 hours in duration and be based on the contents of SCI's study guides and textbooks for Module 5; and
- (b) Individuals appointed to conduct the training course must be proficient in the subject matter tested in Module 5, and must have passed Module 5, or otherwise possess the relevant expertise and experience.

41 An exempt financial adviser shall ensure that its existing representatives who intend to commence the provision of any additional type of financial advisory service referred to in paragraph 7 of this Notice between 1 October 2002 and 30 November 2002 (both dates inclusive) pass the applicable product knowledge and analysis papers under the old examination requirements, unless these representatives are not required to pass these papers under the old examination requirements.

42 With effect from 1 December 2002, an exempt financial adviser shall ensure that its representatives who intend to commence the provision of any additional type of financial advisory service referred to in paragraph 7 of this Notice pass the applicable product knowledge and analysis modules under the CMFAS Exam, unless they are not required to pass these modules based on the exclusions set out in paragraphs 35 and 36.

Representatives Who Commence the Provision of Financial Advisory Services for an Exempt Financial Adviser Between 1 October 2002 and 30 November 2002 (Both Dates Inclusive)

43 An exempt financial adviser shall ensure that its representatives who intend to commence the provision of any financial advisory service referred to in paragraph 7 of this Notice between 1 October 2002 and 30 November 2002 (both dates inclusive) pass the applicable product knowledge and analysis papers under the old examination requirements set out in paragraphs 10 and 11, unless these representatives are not required to pass these papers under the old examination requirements.

44 In addition, an exempt financial adviser shall ensure that its representatives complete a non-examinable course on Module 5 of the CMFAS Exam by 30 November 2003 in accordance with paragraph 40, in lieu of passing Module 5.

Representatives Who Commence the Provision of Financial Advisory Services for an Exempt Financial Adviser On or After 1 December 2002

45 With effect from 1 December 2002, an exempt financial adviser shall ensure that its representatives comply with the CMFAS Exam requirements.

46 An exempt financial adviser may allow its representatives to commence the provision of any financial advisory service referred to in paragraph 7 of this Notice between 1 December 2002 and 30 November 2003 (both dates inclusive) notwithstanding that these representatives have not passed Module 5 of the CMFAS Exam if they satisfy any of the following conditions:

- (i) have passed the applicable rules and regulations papers under the old examination requirements set out in paragraph 9 at any time within a period of 1 year before commencing the provision of financial advisory services with the exempt financial adviser;
- (ii) have ceased carrying out any activity which would have amounted to the provision of the financial advisory service to be provided had the Act been in force at that time before 1 October 2002 with a corporate entity licensed and/or registered under the repealed Securities Industry Act (Cap. 289), Futures Trading Act (Cap. 116) or Insurance Intermediaries Act (Cap. 142A) and have subsequently resumed the provision of that type of financial advisory service with the exempt financial adviser at any time within a period of 1 year from the date of cessation; or
- (iii) have been subject to the requirement to complete a non-examinable course on Module 5 of the CMFAS Exam by 30 November 2003, in lieu of passing Module 5 but have not completed the course prior to the cessation of the provision of financial advisory services.

However, an exempt financial adviser shall ensure that these representatives complete a non-examinable course on Module 5 by 30 November 2003 in accordance with paragraph 40, in lieu of passing Module 5.

MAINTENANCE OF A REGISTER BY EXEMPT FINANCIAL ADVISERS

47 An exempt financial adviser shall maintain a register of their representatives who have completed a non-examinable course on Module 5 of the CMFAS Exam, in lieu of passing Module 5. They shall enter in the register the following information:

- (a) the types of financial advisory service provided by each representative; and
- (b) the date of completion of the course by each representative.

CONTINUING EDUCATION REQUIREMENTS FOR REPRESENTATIVES

48 MAS expects representatives engaged in the provision of financial advisory services to keep abreast of developments in the industry and acquire new skills and knowledge relevant to their activities. In this regard, exempt financial advisers are expected to ensure that their representatives undergo continuing education.

49 Exempt financial advisers are also expected to ensure that their representatives providing advice on and/or arranging life policies observe the Guidelines on Continuing Professional Development Requirement for Life Insurance Advisors issued by the Life Insurance Association of Singapore.

[FAA-N04(Amendment) 2003]

Note:

Under section 58(5) of the Act, any person who contravenes any requirement specified in a written direction issued by the Authority (which would include this Notice), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.

ANNEX 1

Persons possessing the following qualifications or work experience are not required to pass Modules 6 & 8

1. Degree in accountancy, economics, commerce, business/business administration, finance, actuarial science, financial engineering and capital markets.
2. Trading Representatives' Examination Paper II conducted by the Institute of Banking and Finance ("IBF");
3. Investment Representatives' Examination Paper II conducted by IBF;
4. Diploma in Investment (previously conducted by IBF);
5. Diploma in Investment conducted by The Singapore Human Resources Institute (SHRI);
6. Diploma in Banking and Finance (previously conducted by IBF);
7. Diploma in Banking and Finance from SHRI;
8. Skills Certificate – Investment awarded by IBF;
9. Skills Certificate – Investment awarded by SHRI;
10. Diploma in Banking and Financial Services conducted by all polytechnics in Singapore;
11. Banking or Financial Studies Diploma conducted by the Chartered Institute of Bankers, UK;
12. Chartered Financial Analyst Level 1 Examination conducted by the Association for Investment Management & Research, USA;
13. Diploma in Financial Planning from IBF/Singapore College of Insurance ("SCI");
14. Associate Financial Consultant by the Life Underwriters Association of Singapore;

15. Associate Financial Planner of the Financial Planning Association of Singapore;
16. Series 6 or Series 7 of the National Association of Securities Dealers, USA;
17. Investment Management Certificate of the UK Institute of Investment Management & Research Examinations;
18. Investment Management Certificate of the UK Society of Investment Professionals;
19. Chartered Life Underwriter by American College, USA; or Chartered Life Underwriter Singapore by SCI;
20. Chartered Financial Consultant by the American College, USA; or Chartered Financial Consultant Singapore by SCI;
21. Certified Financial Planner by the Certified Financial Planners Board of Standards;
22. Securities Institute Certificate Examination (formerly known as Registered Persons Examination) by the Financial Services Authority, UK;
23. Associate/Fellow of the Institute of Actuaries, England;
24. Associate/Fellow of the Faculty of Actuaries, Scotland;
25. Associate/Fellow of the Society of Actuaries, USA;
26. Associate/Fellow of the Institute of Actuaries of Australia;
27. Associate/Fellow of the Casualty Actuarial Society, USA; and
28. Three years of relevant and continuous working experience in respect of the financial advisory service to be provided with no break in service of more than 3 years between the individual's last working experience and the date of his application.

ANNEX 2

Persons possessing the following qualifications or work experience are not required to pass Module 7

1. Futures Trading Test (previously conducted by IBF);
2. Futures Examination Paper III conducted by IBF;
3. Series 3 of the National Association of Securities Dealers, USA;
4. Futures and Options Representative's Examination conducted by the Securities & Futures Authority Ltd;
5. Diploma in Investment (previously conducted by IBF between October 1998 and December 2001);
6. Diploma In Investment conducted by SHFI;
7. Advanced Certification in Investment conducted by the Nanyang Polytechnic; and
8. Three years of relevant and continuous working experience in respect of the financial advisory service to be provided with no break in service of more than 3 years between the individual's last working experience and the date of his application.

Persons possessing the following qualifications or work experience are not required to pass Module 9

1. Degree in actuarial science or insurance.
2. Chartered Life Underwriter* (“CLU”) by the American College, USA; or Chartered Life Underwriter Singapore* (“CLU/S”) by SCI;
3. Chartered Financial Consultant* (“CHFC”) by the American College, USA; or Chartered Financial Consultant Singapore* (“CHFC/S”) by SCI;
4. Certified Financial Planner by the Certified Financial Planners Board of Standards;
5. Associate/Fellow of the Institute of Actuaries, England;
6. Associate/Fellow of the Faculty of Actuaries, Scotland;
7. Associate/Fellow of the Society of Actuaries, USA;
8. Associate/Fellow of the Institute of Actuaries of Australia;
9. Associate/Fellow of the Casualty Actuarial Society, USA;
10. Certificate in Life Insurance (Investment-Linked Life Insurance Policies) by SCI and any of the following:
 - (a) Life Insurance Agents Certificate/Pre-contract Examination/Certificate in Life Insurance/Diploma in Life Insurance awarded by SCI;
 - (b) Associate/Fellow of the Chartered Insurance Institute (Life), UK;
 - (c) Senior Associate/Fellow of the Australian & New Zealand Institute of Insurance and Finance (Life); or
 - (d) Fellow of Life Management Institute, USA; and
11. Three years of relevant and continuous working experience in respect of the financial advisory service to be provided with no

break in service of more than 3 years between the individual's last working experience and the date of his application. The working experience may be from UK, USA, Canada or Australia.

- * The applicant must have covered under CLU (or CLU/S) and CHFC (or CHFC/S), the following two specific subjects:
 - Fundamentals of financial planning or Insurance and financial planning; and
 - Investments

* Notes on History of Amendments

1. FAA-N04 (Amendment) 2002 with effect from 31 December 2002.
2. FAA-N04 (Amendment) 2003 with effect from 1 May 2003.
3. FAA-N04 (Amendment02) 2003 with effect from 20 June 2003.
4. FAA-N04 (Amendment03) 2003 with effect from 15 October 2003.

Cancelled