



Monetary Authority of Singapore

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

**NOTICE ON REPORTING OF MISCONDUCT OF
REPRESENTATIVES OF FINANCIAL ADVISERS**

CANCELLED

Notice No : FAA-N05

**Issue Date : 1 October 2002 (Last revised on 22 December 2003*)-
Cancelled on 1 July 2005**

NOTICE ON REPORTING OF MISCONDUCT OF REPRESENTATIVES BY FINANCIAL ADVISERS

Introduction

1 This Notice is issued pursuant to section 58 of the Financial Advisers Act (Cap. 110) ["the Act"]. It sets out the responsibilities and reporting requirements of financial advisers for the misconduct of their representatives.

2 This Notice shall apply to all licensed financial advisers and persons who are exempt from holding a financial adviser's licence under section 23(1)(a) to (e) of the Act.

Definitions

3 For the purposes of this Notice:

“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;

“quarter” means any period of 3 months beginning on 1 January, 1 April, 1 July or 1 October; and

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

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Reporting of Misconduct of Representatives

4 Financial advisers are responsible for the conduct of their representatives. They should take disciplinary action against their representatives for any misconduct and ensure consistency in their application of disciplinary action for the same type of misconduct committed by their representatives. In addition, financial advisers should have an internal process for addressing the appeals made by their representatives with respect to the disciplinary action taken against them.

5 A financial adviser shall submit to the Authority, not later than 14 days after the end of each quarter –

- (a) a report, in the form set out at the Appendix, of any disciplinary action taken against its representatives for the following misconduct, including formal warnings issued to the representatives, during the preceding quarter:
- (i) non-compliance with regulatory requirements and internal policies relating to the provision of any financial advisory service under the Act;
 - (ii) failure to satisfy the Guidelines on Fit and Proper Criteria [Guideline No. FAA-G02] issued by the Authority;
 - (iii) serious breaches of company policy which would render the representatives liable to demotion, suspension or dismissal,
- (b) a nil return if no such disciplinary action has been taken against its representatives in the preceding quarter.

[FAA-N05 (Amendment) 2003]

6 Financial advisers shall submit the first report of misconduct of representatives for the quarter ending on 31 March 2003 for any disciplinary action taken against their representatives for misconduct during the period between 1 January 2003 and 31 March 2003, not later than 14 days after the end of that quarter. Financial advisers which are able to submit a report for the quarter ending on 31 December 2002 for any disciplinary action taken against their representatives for misconduct between 1 October 2002 and 31 December 2002 may do so if they wish.

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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.

Appendix

REPORT OF MISCONDUCT OF REPRESENTATIVES BY A FINANCIAL ADVISER FOR THE QUARTER ENDING

(dd/mm/yy)

Name & NRIC of Representative	Licence No. (if applicable)	Nature of Misconduct	Disciplinary Action Taken by Financial Adviser

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Details of Reporting Officer

Name :

Designation :

Name of
Financial Adviser :

Date :

Notes on History of Amendments

1. FAA-N05 (Amendment) 2003 with effect from 22 December 2003