



Monetary Authority of Singapore

**SECURITIES AND FUTURES ACT
(CAP. 289)**

**NOTICE ON MINIMUM ENTRY AND EXAMINATION
REQUIREMENTS FOR REPRESENTATIVES OF HOLDERS OF
CAPITAL MARKETS SERVICES LICENCE AND EXEMPT
FINANCIAL INSTITUTIONS**

FREQUENTLY ASKED QUESTIONS

Disclaimer: The FAQs are meant to provide guidance to the industry on MAS' policy and administration of the Securities and Futures Act and regulations. 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, rules or regulations of Singapore.

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(A) Minimum Entry Requirements

1. *Can the 4 GCE “O” Level be obtained from more than one sitting?*

Yes.

2. *What is considered equivalent to 4 GCE “O” level credit passes?*

The minimum educational qualification requirement for persons conducting regulated activities under the SFA is 4 GCE “O” level credit passes. So long as an individual has 4 GCE “O” level credit passes or higher educational qualifications such as GCE “A” level certificate, diploma or degree in any discipline, they would be considered as meeting the minimum educational requirement. For foreign qualifications, individuals must possess at least 4 passes in any national examination that is equivalent to 4 GCE “O” level passes.

3. *I’m applying for a temporary licence under section 87A of the SFA. Must I comply with the minimum entry requirement spelled out in this Notice?*

No. You are subject to a separate set of requirements as spelled out in Guideline SFA 04-G04 - The Guidelines on Criteria for the Grant of Temporary Representative’s Licence.

4. *I do not satisfy the minimum 4 GCE “O” level requirement but have a keen interest to conduct a regulated activity under the SFA, what can I do?*

You will need to have at least 4 GCE “O” credit level passes or its equivalent. Otherwise, you must possess at least 3 years of relevant and continuous working experience over the past 5 years in respect of the regulated activity to be conducted.

5. *I do not have 4 GCE “O” level credit passes but have been a registered representative of the Singapore Exchange Derivatives Trading Limited (SGX-DT) to carry out trading activities on the trading floor. Can I subsequently convert my licence to full trading?*

Yes, so long as you have at least 3 years of floor trading experience over the past 5 years, and have satisfied the examination requirements.

6. *I do not have 4 GCE “O” level credit passes but have been working as a central buyer/arbitrage clerk with a broking company. Can I subsequently apply to be a remisier or dealer of the company?*

Yes, so long as you have at least 3 years of working experience as a central buyer/arbitrage clerk and that experience is obtained over the past 5 years, and you have satisfied the examination requirements.

(B) Examination Requirements

1. *Do I have to take any examination if I wish to carry out leveraged foreign exchange trading?*

No.

2. *I’m currently licensed to carry out securities dealing and wish to expand my activity to include the trading of single stock futures (“SSF”) contracts. Which modules should I take?*

You have to pass Module 1 or Module 2, unless you have completed the non-examinable course on Module 1 and such course covers SSF.

3. *I’m currently licensed to carry out securities dealing and wish to apply to expand my activity to include the trading of equity index futures/options contracts. Which modules should I take?*

You must pass Module 2 and Module 7 of the CMFAS Exam (unless otherwise exempted). For Module 7, you will be tested with questions pertaining to equity index futures/options contracts.

4. *I am joining a bank to deal solely in Singapore Government securities. Do I have to pass any CMFAS Exam?*

No.

5. ***I am currently exempted from holding a licence for dealing in bonds with accredited investors, do I have to pass the CMFAS Exam?***

No. The CMFAS Exam does not apply to you so long as you confine your regulated activity to bond dealing with accredited investors.

6. ***Do I have to take any CMFAS Exam if I am employed by a CMS licensee as a proprietary trader with respect to trading in futures contracts?***

No.

7. ***I have already passed Module 2 and Module 7. Can I conduct full scope futures trading activities?***

No. Besides Module 2 and Module 7, you have to pass the floor practices examination conducted by SGX-DT or a body appointed by SGX-DT. Currently, the floor practices examination is made up of two parts – a theory examination (SGX floor practices examination) which is administered by IBF, and a practical examination (Mock Trading Test) which is administered by SGX.

8. ***I'm currently a local/Individual Non-Clearing Member of SGX-DT (INCM) (Trading for my own account). Do I have to pass Module 2 and 7 if I wish to cease being a local/INCM and join a CMS licensee to trade in futures contracts?***

You must pass Module 2 and 7 as well as the floor practices examination conducted by SGX-DT or a body appointed by SGX-DT before you can commence trading in futures contracts with a CMS licensee.

9. ***I have passed Module 3 and Module 6 and would like to expand my activity to include the management of futures funds. Do I have to take Module 3 again? Also, do I have to take Module 7?***

No, you are not required to take Module 3 and 7.

10. ***I have passed Module 3 and Module 7 and have been managing futures funds. I would now like to expand my activities to include the management of securities funds. Do I have to take Module 6?***

Yes, you have to pass Module 6 before you can expand your activity to include the management of securities funds.

- 11. *I have passed Module 2 and the variation paper of Module 7 and have been licensed to conduct restricted futures trading activities. Do I have to pass Module 7 again if I subsequently apply to convert my licence to full futures trading?***

Yes, you are required to pass Module 7.

- 12. *How would the CMFAS Exam affect me if I am employed with an exempt fund management company to conduct fund management for not more than 30 qualified investors?***

The CMFAS Exam does not apply to you. However, if you subsequently apply for a representative's licence or join an exempt FIs to conduct any regulated activity, you will have to comply with the examination requirements.

- 13. *I was previously working for a fund management unit of a CMS licensee/Exempt FIs where at least 75% of the customers of the unit are individuals that satisfied the criteria stated in paragraph 19(d) of the Notice. Do I have to pass Module 3, 6 and 7 if I subsequently join a fund management company that does not meet the criteria stated in paragraph 19(d) of the Notice?***

Yes, you will have to pass Module 3, and 6 or 7 (unless otherwise exempted).

- 14. *What is the difference between Module 4A and Module 4B?***

Module 4A applies to those who wish to provide corporate finance advisory while Module 4B applies to those who confine their corporate finance advisory to debt securities. If you have passed Module 4A, you will not have to pass Module 4B. However, if you have passed Module 4B and confine your activity to debt securities, you will have to pass Module 4A if you subsequently wish to expand your activity to offer other corporate finance advisory services such as merger and acquisitions and corporate finance advice relating to equity.

- 15. *If I wish to apply for a representative's licence to conduct a full range of corporate finance activities including underwriting of IPOs, what modules should I take?***

You will have to pass Module 4A. You do not need to take Module 1 and Module 6.

- 16. *I passed Module 4A and joined a bank to conduct advising on corporate finance for 3 years before taking a break. Do I have to re-take Module 4A if I wish to conduct the same activity again?***

You would need to re-take Module 4A if you re-commence the same activity more than 3 years after the cessation of the activity.

- 17. *For the non-examinable course on advising on corporate finance, can I attend those courses run by the training partners of IBF?***

No, unless the training partners are specifically appointed by your principal company to conduct the non-examinable course for its representatives. Such training partners must also meet the conditions stated in paragraph 20(c)(ii) of the Notice.

- 18. *Are CMS Licensees required to obtain MAS' prior approval if they wish to conduct in-house courses on Module 4 for their representatives?***

CMS licensees are not required to obtain MAS' approval if they conduct in-house courses for Module 4 or appoint trainers to conduct this course. However, CMS licensees should ensure that the in-house course conducted by them or the trainers appointed by them meet the conditions stated in para 20(c)(ii) of the Notice.

- 19. *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 regulated activity now.***

You will have to re-take and pass the relevant rules and regulations module(s) before commencing the activity. There is no need for you to re-take the Module(s) on product knowledge.

20. *I was employed with a CMS licensee/Exempt FI to carry out regulated activity under the SFA on 1 Oct 02. I left the company subsequently without completing a non-examinable course by the stipulated deadline of 30 Nov 03. Can I take a non-examinable course now if I wish to re-commence the same regulated activity.*

No. You have to pass the relevant rules and regulations module(s) before re-commencing the activity.

21. *I was employed with a CMS licensee/Exempt FI to carry out regulated activity under the SFA on 1 Oct 02 and have completed the relevant non-examinable course. I subsequently ceased carrying out the relevant regulated activity. Do I have to re-take the relevant rules and regulations module if I wish to join a CMS licensee/Exempt FI to conduct the same activity in future.*

Your completion of the non-examinable course will be valid for 3 years following your cessation of the regulated activity. This means that you would be required to re-take the relevant rules and regulations module if you intend to re-commence the relevant regulated activity with a CMS licensee or an exempt FI more than 3 years after your cessation.

22. *Will existing licensees applying to add on new activities be “exempted” from passing the CMFAS Exam?*

No. They will be treated as new entrants in respect of the new activities, and must pass the relevant CMFAS Exam before they can commence the new activities.

23. *Is continuing education compulsory for renewal of licences issued under the SFA?*

Yes. All applications for renewal of representative’s licences under the SFA are required to set out the continuing education training that they have undertaken since their last applications for the grant or renewal of a representative’s licence.

24. *I have passed the TRE, IRE and FE but I have not applied for the respective licences, 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 1 and 2.

25. ***I was employed with a bank in Singapore to conduct corporate finance advisory activities for continuous 3 years before taking a break of slightly more than 6 months. Do I have to take Module 4A if I wish to re-commence the same activity again?***

You do not need to take Module 4A if you had previously passed Module 4A or completed a non-examinable course on Module 4A while you were employed with the bank. Your passing of Module 4A or completion of the non-examinable course is valid for 3 years following your cessation of the regulated activity.

26. ***My company holds a CMS licence for fund management. How would the CMFAS Exam apply to my employees who conduct fund management and other services such as client serving, conducting in-house research, central dealing, business development and marketing?***

This would depend on the activities conducted by the employees. Generally, if the activities they carry out are necessary for or directly connected with fund management and such activities are conducted as an integral part of fund management as defined under Second Schedule to the SFA, they would have to pass Modules 3 and 6. This includes employees who are engaged in managing funds for customers or providing other services to such customers, such as issuing performance reports to the customers and giving advice to the customers. If they conduct financial advisory activities such as marketing collective investment schemes and other activities not directly connected with fund management, they would be subject to the examination requirements under the FAA.

27. ***I do not have 4 GCE “O” level credit passes but have 3 years of relevant and continuous working experience in the regulated activities that I wish to conduct. Would my 3 years of working experience qualify for exemption from Module 6 and/or 7?***

No. The exemption for persons who have 3 years of relevant working experience does not apply if the persons do not have 4 GCE “O” level credit passes. You are therefore required to pass Module 6 and/or 7. Please refer to item 33 of Annex 1 and item 13 of Annex 2.

- 28 ***I have taken some business and finance units as part of my degree or higher qualification programme. I would like to know whether I can be granted exemption from having to pass Module 6. More specifically, whether my degree or higher qualification will be accepted as having 'emphasis' on accountancy, actuarial science, business/business administration/business management/business studies, capital markets, commerce, economics, finance, financial engineering, and financial planning, as required in Annex 1 of the Notice.***

To qualify for exemption from Module 6, your majors in the degree or higher qualification should be in the areas mentioned. Alternatively, your degree or higher qualification should have more than 50% of its syllabus in the areas mentioned above.

- 29 ***I'm currently licensed to conduct fund management activities. As I am working for a fund management company who serves mainly accredited investors, I was exempted from passing Module 3 of the CMFAS Exam. I have passed Module 6 and 7. I intend to join a Start-up Boutique Fund Manager to conduct fund management activities. Do I have to take any CMFAS exam?***

You have to pass Module 3 before you can conduct fund management activities for a Start-up Boutique Fund Manager.

- 30 ***I have passed Module 3 and I am exempted from Module 6 and 7. I wish to join a start-up boutique fund manager to conduct fund management activities. Do I have to take any CMFAS exam?***

No.