

**DRAFT AMENDMENTS TO THE
NOTICE ON APPOINTMENT AND USE OF INTRODUCERS BY
FINANCIAL ADVISERS**

Notice No : FAA-N02

Issue Date : 1 October 2002 (Last revised on 26 November 2010)

**NOTICE ON APPOINTMENT AND USE OF INTRODUCERS
BY FINANCIAL ADVISERS**

Introduction

1 This Notice is issued pursuant to section 58 of the Financial Advisers Act (Cap. 110) [“the Act”].

2 Subject to paragraph 2A, 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), (b), (c), (d), or (e) of the Act.

[FAA-N02 (Amendment) 2003]

[FAA-N02 (Amendment) 2005]

2A This Notice shall not apply to the appointment and use of introducers by –

- (a) persons specified in regulation 4 of the Financial Advisers (Structured Deposits - Prescribed Investment Products and Exemption) Regulations ~~2005~~ in relation to the provision of any financial advisory service relating to any structured deposit as defined in those Regulations;

[FAA-N02 (Amendment) 2010]

- (b) persons specified in regulation 3 of the Financial Advisers (Exemption from Sections 25 to 29 and 36) Regulations ~~2004~~ in respect of the provision of any financial advisory service relating to the investment products referred to in regulation 3 of those Regulations.

[FAA-N02 (Amendment) 2005]

3 This Notice sets out the standards to be maintained by licensed financial advisers and persons who are exempt from holding a financial adviser’s licence under section 23(1)(a), (b), (c), (d), or (e) of the Act with respect to their appointment and use of persons carrying out introducing activities.

[FAA-N02 (Amendment) 2003]

[FAA-N02 (Amendment) 2005]

Definitions

4 For the purposes of this Notice:

“client” includes a prospective client;

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

[FAA-N02 (Amendment) 2005]

~~“financial advisory service” has the same meaning as in section 2(1) of the Act;~~

~~[FAA_N_02 (Amendment) 2005]~~

~~“investment product” has the same meaning as in section 2(1) of the Act;~~

~~[FAA-N02 (Amendment) 2003]~~

~~“introduceee” has the same meaning as in regulation 31 of the FAR;~~

~~[FAA-N02 (Amendment) 2005]~~

“introducer” means any person exempt under regulation 31(1), (3), (4) or (7) of the ~~FAR~~ Financial Advisers Regulations who is appointed by a financial adviser to perform introducing activities on behalf of the financial adviser;

~~“retail client” has the same meaning as in regulation 31(12) of the Financial Advisers Regulations;~~

~~“introducing activities” has the same meaning as in regulation 31 of the FAR and “introduce” shall be construed accordingly;~~

~~[FAA-N02 (Amendment) 2005]~~

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

4A The expressions used in this Notice shall, except where expressly defined in this Notice or where the context otherwise requires, have the same respective meanings as in the Act and the Financial Advisers Regulations.

Requirements for Financial Advisers Appointing Introducers

5 Where a financial adviser appoints a person as an introducer, it should take reasonable steps not to appoint an introducer whose carrying out of introducing activities is:

- (a) if the introducer is a corporation, its sole business activity; and
- (b) if the introducer is an individual, his full-time occupation, as the case may be.

~~6 A financial adviser shall ensure that none of its employees or representatives enters into any arrangement with an introducer to carry out introducing activities other than on behalf of the financial adviser.~~

~~7 A financial adviser which engages the services of an introducer shall institute adequate control systems and procedures to ensure the proper conduct of the introducer, including ensuring that the introducer does not get involved in the provision of any financial advisory service other than to the extent of carrying out introducing activities. In engaging an introducer to carry out introducing activities, the financial adviser shall comply with the following requirements:~~

~~(a) Written Agreement~~

~~The financial adviser shall enter into a written agreement with the introducer. It shall ensure that the agreement so entered into spells out clearly the scope of introducing activities to be carried out by the introducer. It shall also monitor the conduct of the introducer to satisfy itself that the introducer operates within the terms and conditions of the agreement.~~

~~(b) Disclosure by Introducer~~

~~The financial adviser shall require the introducer to disclose to all clients the following information that the introducer is required to disclose under regulation 31 of the FAR:~~

- ~~(i) that the introducer, when carrying out introducing activities, is not permitted to give advice or provide~~

~~recommendations on any investment product to the~~

~~client, market any collective investment scheme, or arrange any contract of insurance in respect of life policies, other than to the extent of carrying out introducing activities;~~

- ~~(ii) whether or not the introducer is or will be remunerated by the financial adviser for carrying out introducing activities; and~~
- ~~(iii) where the introducer is or will be remunerated by the financial adviser, the amount of remuneration if so requested by the client.~~

~~In addition, the financial adviser shall require the introducer to disclose to all clients that the introducer is carrying out introducing activities for the financial adviser.~~

~~(c) Provision of Script for Use by Introducers~~

~~The financial adviser shall provide a script to the introducer to provide guidance to the introducer in its or his introducing activities. The financial adviser shall ensure that the script specifies:~~

- ~~(i) the information that the introducer is required to disclose to clients in accordance with regulation 31 of the FAR;~~
- ~~(ii) the factual information that the introducer is to provide to clients on the financial adviser; and~~
- ~~(iii) the factual information on the investment products to which its or his introducing activities relate.~~

~~(d) Prohibition on Handling of Client's Money or Property by Introducers~~

~~The financial adviser shall ensure that the introducer does not receive or deal with client's money or property in relation to its or his carrying out of introducing activities.~~

~~(e) — Maintenance of Register of Introducers~~

~~The financial adviser shall maintain a register containing the following particulars of the introducers appointed by the financial adviser:~~

- ~~(i) — their names;~~
- ~~(ii) — their places of business; (iii) — their contact numbers;~~
- ~~(iv) — their business registration numbers or, in the case of individuals, their identity card numbers; and~~
- ~~(v) — their dates of appointment and, where applicable, their dates of termination.~~

~~In addition, the financial adviser shall ensure that each of these introducers comply with the conditions specified in regulation 31(1)(d), 31(4)(b) and 31(7)(b).~~

[FAA-N02 (Amendment) 2003]

~~8 — A financial adviser shall ensure that the following requirements are complied with where introducing activities are carried out by its employees or representatives on its own behalf:~~

~~(a) — Disclosure~~

~~The financial adviser shall require the employee or representative to disclose to all clients the following information that he is required to disclose under regulation 31 of the FAR:~~

- ~~(i) — that the representative or employee, when carrying out introducing activities, is not permitted to give advice or provide recommendations on any investment product to the client, market any collective investment scheme, or arrange any contract of insurance in respect of life policies, other than to the extent of carrying out introducing activities;~~
- ~~(ii) — whether or not the representative or employee is or will be remunerated by the financial adviser for carrying out introducing activities; and~~

~~(iii) where the representative or employee is or will be remunerated by the financial adviser, the amount of remuneration if so requested by the client.~~

~~In addition, the financial adviser shall require the representative or employee to disclose to all clients that the representative or employee is carrying out introducing activities for the financial adviser.~~

~~(b) Provision of Script~~

~~The financial adviser shall provide a script to the representative or employee to provide guidance to him in his introducing activities. The financial adviser shall ensure that the script specifies:~~

- ~~(i) the information that the representative or employee is required to disclose to clients in accordance with regulation 31 of the FAR;~~
- ~~(ii) the factual information that the representative or employee is to provide to clients on the financial adviser; and~~
- ~~(iii) the factual information on the investment products to which his introducing activities relate.~~

~~(c) Prohibition on Handling of Client's Money or Property~~

~~The financial adviser shall ensure that the representative or employee does not receive or deal with client's money or property in relation to his carrying out of introducing activities.~~

~~{FAA N02 (Amendment) 2003}~~

6 A financial adviser which appoints an introducer shall institute adequate control systems and procedures to ensure the proper conduct of the introducer, which includes ensuring that the introducer does not provide any financial advisory service other than to the extent of carrying out introducing activities.

7 In appointing a person¹ as an introducer to carry out introducing activities, the financial adviser shall institute adequate policies and procedures to assess, and to satisfy itself, that the following principles are observed at the time of appointment of the person as an introducer and on an on-going basis:

- (a) The appointment of the person as an introducer will not give rise to any actual or potential conflict of interests to the financial adviser; and
- (b) The appointment of the person as an introducer will not tarnish the image of

¹ The person excludes employees or representatives of the financial adviser.

the financial adviser or the financial advisory industry.

8 With regard to paragraph 7, where a person is appointed as an introducer to carry out introducing activities with any retail client, the financial adviser shall put in place policies and procedures which cover the following areas:

Appointment of the person as an introducer

- (a) The process and criteria for the financial adviser to collect information on the person as part of the financial adviser's due diligence process on the person. The information collected shall be sufficient to enable the financial adviser to perform an assessment of the person in relation to the role of an introducer carrying out introducing activities with any retail client. This should include information on the core business or sources of revenue of the person which is a corporation, the full-time occupation of the person who is an individual, and any adverse information on the person;
- (b) The process and criteria for the financial adviser to assess the appointment of the person and be reasonably satisfied that the appointment of the person meets the two principles set out in paragraph 7;
- (c) Documentation of the basis of the assessment referred to in sub-paragraph (b), including specifying the persons responsible for conducting the assessment and approving the appointment of the person;

Ongoing Monitoring of an introducer

- (d) The process and criteria for the financial adviser to assess and be reasonably satisfied that the remuneration arrangement between itself and the introducer will not incentivise the introducer to act beyond the scope of its introducing activities. For example, the remuneration arrangement should not incentivise the introducer to influence a retail client's decision to purchase any investment product;
- (e) The process and criteria for the financial adviser –
 - (i) to collect information on the introducer as part of its ongoing due diligence process on the introducer. The information collected shall be sufficient to enable the financial adviser to conduct ongoing reviews of the introducer and its or his introducing activities with any retail client. This should include information on the core business or sources of revenue of the introducer which is a corporation, the full-time occupation of the introducer who is an individual, and any adverse information on the introducer;
 - (ii) to conduct ongoing reviews of the introducer's introducing activities with any retail client; and
 - (iii) to ensure that the appointment of the introducer continues to satisfy the two principles set out in paragraph 7 and is in compliance with

applicable laws and regulations.

Examples of policies and procedures for this area may include a periodic review of the introducer's introducing activities, and procedures for handling and assessing complaints received against or in relation to the introducer; and

- (f) Documentation of the basis of the ongoing reviews referred to in subparagraph (e), including specifying the persons responsible for conducting the ongoing reviews.

Written Agreement

9 A financial adviser which appoints an introducer shall enter into a written agreement with the introducer. The financial adviser shall clearly spell out the scope of introducing activities to be carried out by the introducer in the written agreement. The financial adviser shall also monitor the conduct of the introducer to satisfy itself that the introducer operates within the terms and conditions of the agreement.

Prohibition on Handling of Client's Money or Property by Introducers

10 A financial adviser shall ensure that the introducer does not receive or deal with client's money or property in relation to its or his carrying out of introducing activities.

Maintenance of Register of Introducers

11 A financial adviser shall maintain a register containing the following particulars of all introducers appointed by the financial adviser and ensure that the information in the register is kept up-to-date:

- (a) the introducer's names;
- (b) the introducer's places of business and address;
- (c) the introducer's contact numbers;
- (d) in the case where the introducer is a corporation, the introducer's business registration number;
- (e) in the case where the introducer is an individual, his or her identity card number; and
- (f) the introducer's date of appointment by the financial adviser and, where applicable, the date on which the appointment of the introducer is withdrawn or terminated by the financial adviser.

In addition, the financial adviser shall ensure that each of these introducers comply with the conditions specified in regulation 31(1)(d), 31(4)(b) and 31(7)(b).

Disclosure to Clients

12 A financial adviser shall provide a script to the introducer to provide guidance to the introducer in its or his introducing activities. The financial adviser shall ensure that the script specifies:

- (a) the information that the introducer is required to disclose to clients in accordance with regulation 31 of the Financial Advisers Regulation; and
- (b) the factual information that the introducer is to provide to clients on the financial adviser.

13 Where an introducer carries out introducing activities with any retail client, the financial adviser shall, subject to paragraph 14, prepare a Client Acknowledgment Form [“CAF”] and ensure that the introducer uses the CAF as a script in its or his introducing activities with any retail client. The financial adviser shall ensure that –

- (a) the CAF contains all the information which the introducer is required to disclose to its or his retail client when carrying out introducing activities;
- (b) the introducer obtains an acknowledgement that its or his retail client understood the contents of the CAF and consents to his or her contact details being passed on to the financial adviser;
- (c) the introducer does not provide the retail client with any other information which is not contained in the CAF; and
- (d) after the retail client has provided his or her acknowledgement and consent to the introducer, the introducer provides a copy of the CAF to the retail client for his or her retention.

The financial adviser shall retain records of every retail client’s acknowledgement and consent obtained by the introducer.

14 Subject to paragraphs 15 and 16, a financial adviser shall include the following information in the CAF in the format as set out in the template in the Annex to this Notice:

- (a) The name of the introducer;
- (b) A statement that the introducer, when carrying out introducing activities, is not permitted to –
 - (i) give advice or provide recommendations on any investment product to the retail client;
 - (ii) market any collective investment scheme; or
 - (iii) arrange any contract of insurance in respect of life policies, other than to the extent of carrying out introducing activities;
- (c) A statement that the introducer is not permitted to receive or deal with, the retail client’s money or property in relation to introducing activities;
- (d) The name(s) of the financial adviser(s) providing the type of financial advisory service in respect of the investment product required by the retail

client, and a description of the type or types of financial advisory services in respect of the investment product the financial adviser(s) is(are) authorised to provide to the retail client;

- (e) Where the introducer is carrying out introducing activities for more than one financial adviser, a statement that the introducer is carrying out introducing activities for more than one financial adviser, and where the retail client consents to being introduced to every financial adviser(s) which the introducer is carrying out introducing activities for and provide the type(s) of financial advisory service required by the retail client, the name(s) of the financial adviser(s);
- (f) The roles and responsibilities of the introducer and financial adviser(s). In addition, in the case where the introducer is a financial adviser, a statement that the financial adviser is acting as an introducer and is not providing any financial advisory service to the retail client other than to the extent of carrying out introducing activities, and an explanation on why this is so;
- (g) Whether or not the introducer is or will be remunerated by the financial adviser(s) for carrying out introducing activities;
- (h) Where the introducer is or will be remunerated by the financial adviser(s), the amount and basis of the remuneration that the introducer is receiving or will receive from the financial adviser(s) for carrying out introducing activities. If the introducer's remuneration from the financial adviser is not directly correlated to its or his carrying out of introducing activities (for example, if the introducer is remunerated based on a fixed salary or calculated according to the balanced scorecard framework (if applicable)), the basis of the remuneration received by the introducer shall nonetheless be disclosed to any retail client; and
- (i) Whether the introducer or any of its directors or shareholders (where applicable), is a substantial shareholder of the financial adviser, or whether the introducer has any other relationship with the financial adviser or any of the representatives of the financial adviser.

15 The template in the Annex to the Notice serves as a minimum standard. Financial advisers shall adhere to the format (including the tabular structure) and headings and sub-headings set out in the template for their respective CAF. Financial advisers should ensure that the information to be included in the CAF is in a clear and simple language that retail clients can easily understand.

16 Notes to guide financial advisers in preparing the CAF are presented as italicised statements in the square brackets in the template. Some examples are presented for illustration. These notes and examples are not meant to be prescriptive or exhaustive. Financial advisers should consider and decide on the information to be included in the CAF to meet the requirements in paragraphs 13 and 14 of this Notice.

Requirements for Financial Advisers Acting as Introducers

Policies and Procedures for Oversight of Introducing Activities

17 A financial adviser that carries out introducing activities for one or more introducees, or which employees or representatives carry out introducing activities on its behalf, shall put in place policies and procedures to –

- (a) mitigate any conflict of interests which arises or may arise from its introducing activities;
- (b) make its clients aware that the financial adviser is only carrying out introducing activities as an introducer and is not providing any financial advisory service other than to the extent of carrying out introducing activities; and
- (c) ensure that the appointment of its employees or representatives as introducers will not tarnish the image of the financial adviser or the financial advisory industry.

18 With respect to paragraph 17, a financial adviser that carries out introducing activities shall put in place the following policies and procedures to mitigate any actual or potential conflict of interests:

- (a) policies and procedures to require every of its employees or representatives to use the CAF (referred to in paragraph 13) as a script when carrying out introducing activities with any retail client;
- (b) policies and procedures to provide training for all of its employees or representatives who carry out introducing activities to ensure that every employee or representative is familiar with the scope of introducing activities, including the information which he or she is or is not permitted to say to a client when carrying out introducing activities;
- (c) policies and procedures for handling complaints received against or in relation to any of its employees or representatives who carry out introducing activities (for instance, complaints against harassment or aggressive introducing);
- (d) policies and procedures that substantiated complaints against its employee or representative in respect of his or her introducing activities are taken into account when determining his or her remuneration;
- (e) policies and procedures to ensure that the financial adviser's remuneration structure for its employees or representatives does not incentivise its employees or representatives to focus only on introducing activities.

Other Requirements

19 A financial adviser shall prohibit its employees or representatives from entering into any arrangement with any introducer to carry out introducing activities other than on behalf of the financial adviser.

20 Where introducing activities are carried out by an employee or a representative of a financial adviser on behalf of the financial adviser (instead of an introducer), the requirements under paragraphs 10, 11 (other than paragraph 11(d)), 12, 13 and 14 of this Notice shall apply to the financial adviser as if every reference to an introducer or the introducer in the requirements were a reference to an employee or a representative, or the employee or representative, respectively.

Transitional Arrangements

21 MAS Notice FAA-N02 (Amendment) 2014 issued on [date of issuance of the amendment notice] shall not apply to a financial adviser which –

- (a) appoints an introducer to carry out introducing activities on its behalf;
- (b) carries out introducing activities for an introducee; or
- (c) carries out introducing activities on its own behalf,

before [*date on which this Notice is revised*] (“appointed date”), for a period of 6 months after the appointed date (“specified period”); and MAS Notice FAA-N02 issued on 1 October 2002 (Last revised on 26 November 2010) as in force immediately before the appointed date shall continue to apply to the financial adviser in that period.

Note:

Under section 58(5) of the Act, any person who contravenes any requirement specified in written directions issued by the Authority (which includes this Notice), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 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.

Notes on History of Amendments

1. FAA-N02 (Amendment) 2003 with effect from 22 December 2003
2. FAA-N02 (Amendment) 2005 with effect from 1 July 2005
3. FAA-N02 (Amendment) 2010 with effect from 26 November 2010
4. FAA-N02 (Amendment) 2014 with effect from [*date*]

ANNEX – CLIENT ACKNOWLEDGEMENT FORM FOR INTRODUCING ARRANGEMENT

1. Information on Introducer

- *[State the name of the individual effecting the introduction and the capacity which he is acting in]; and*
- *[State the name of the corporate introducer which the individual introducer is representing, if applicable]*

Example:

My name is [name of individual effecting the introduction], and I am:

- an employee / representative of [name of introducer]; or
- acting in my personal capacity²; or
- an employee³ / representative of [name of financial adviser].

2. Information on Financial Adviser(s)⁴

- *[State the name(s) of financial adviser(s) that the client is being introduced to]; and*
- *[State the type(s) of financial advisory services in respect of the type(s) of investment product(s) which the financial adviser(s) can provide.]*

Example:

I would like to introduce you [name of client] to [name of financial adviser(s)], which can provide you with [type(s) of financial advisory service(s)] in respect of the [type(s) of investment products]⁵.

² If introducing agreement is signed with an individual introducer, the individual introducer has to disclose that he or she is acting in his or her personal capacity when introducing clients to the financial adviser.

³ This is applicable for financial advisers that appoint their own employees or representatives to carry out introducing activities on its behalf.

⁴ An introducer that carries out introducing activities for more than one financial adviser shall:

- (i) disclose that the introducer acts for more than one financial adviser; and
- (ii) with the consent of the client, introduce the client to every financial adviser that the introducer is carrying out introducing activities for and provides the type or types of financial advisory service required by the client.

⁵ Introducers shall not provide the name of any specific investment product and any product information to any client when carrying out introducing activities.

I would like to introduce you to my colleague⁶, who is [an appointed / a provisional] representative of [name of financial adviser]. He / she can advise you on the [type(s) of financial advisory service(s) in respect of the type(s) of investment products which the financial adviser(s) is / are able to provide].

3. Roles and Responsibilities of Introducer and Financial Adviser(s)

[Disclose that when carrying out introducing activities, the introducer is not permitted to:

- *give advice or provide recommendations on any investment product, market any collective investment scheme, or arrange any contract of insurance in respect of life policies, other than to the extent of carrying out introducing activities; and*
- *receive or deal with any client's money or property in relation to its or his carrying out of introducing activities.]*

Example:

As an introducer, I am:

- not permitted to provide you with any advice or recommendations on life policies, other than to the extent of carrying out introducing activities; and
- not allowed to receive or deal with any money or property from you in relation to my introducing activity.

[In the case where a financial adviser carries out introducing activities, the financial adviser shall provide:

- *an explanation that the financial adviser is acting as an introducer, and not providing any financial advisory service other than to the extent of carrying out introducing activities;*
- *reason(s) for the financial adviser acting as an introducer.]*

Example:

Although [name of financial adviser carrying out introducing activities] is a financial adviser, [name of financial adviser carrying out introducing activities] is

⁶ This is applicable for a financial adviser that appoints its own employees or representatives to carry out introducing activities on its behalf.

not providing you with any type of financial advisory service in respect of any investment product, other than to the extent of carrying out introducing activities, by introducing you to [name of financial adviser(s) that the client is being introduced to].

[Name of financial adviser carrying out introducing activities] is acting as an introducer because:

- it is not authorised to advise you on [name the type(s) of financial advisory services in respect of the type(s) of investment products], which [name of financial adviser(s) that the client is being introduced to] is(are) authorised to advise you; or
- ⁷you initiated a request to find out more about [name of investment product(s) or type(s) of investment product(s)], which [name of financial adviser(s) that the client is being introduced to] can advise you on.

4. Remuneration of Introducer

[Disclose whether the introducer will be remunerated by the financial adviser for carrying out introducing activities. If the introducer will be remunerated for carrying out introducing activities, disclose the amount and basis of remuneration.]

Example:

- I will be receiving an introducing fee of between \$X and \$Y, which is calculated based on a percentage of your investment amount in the investment product(s) recommended by [name of financial adviser(s) that the client is being introduced to].
- The entity I am representing, [name of corporate introducer], will receive \$X for every client introduced to [name of financial adviser(s) that the client is being introduced to].
- Neither [name of corporate introducer] nor I will be receiving any form of remuneration for introducing you to [name of financial adviser(s) that the

⁷ This disclosure should be in the CAF only if the client initiated an express request to the financial adviser for information on the investment product or type(s) of investment product(s).

client is being introduced to].

5. Disclosure of Conflicts of Interest

[To be disclosed if the introducer, any of its directors or shareholders is a substantial shareholder of the financial adviser or has any other relationships with the financial adviser or any of its representatives⁸. Otherwise, no disclosure is required.]

Example:

As an introducer, I am required to disclose to you the following potential conflicts of interest:

- A director of the entity I am representing, [name of corporate introducer], is a substantial shareholder of [name of financial adviser(s) that the client is being introduced to].
- I am a director of [name of financial adviser(s) that the client is being introduced to].
- A shareholder of the entity I am representing, [name of corporate introducer], is a representative of [name of financial adviser(s) that the client is being introduced to].

6. Client Consent

[Clearly indicate the client's contact information⁹ that will be provided to the financial adviser, and that such contact information will be used solely for the purposes of effecting the introduction only.]

Example:

Subject to your consent, please provide your contact information¹⁰ below which

⁸ Disclosure should be made where the relationship between the introducer, its directors or shareholders, could be perceived to influence the introduction of the client to a specific financial adviser. Financial advisers and introducers should ensure that any such relationship is properly disclosed. Where financial advisers or introducers are unable to make this assessment, they should adopt the approach of being more, rather than less, transparent.

⁹ Other than collecting the client's name and contact information for the purpose of effecting the introduction, the introducer should not be collecting any other personal data from the client or using the collected personal data for any other purpose.

will be forwarded to [name of financial adviser(s) that the client is being introduced to] for the purpose of effecting the introduction only:

- Client Name: _____
- Contact Number: _____
- Email Address: _____

7. Acknowledgement by Client

[Introducer shall obtain acknowledgement from the client that he or she:

- *has understood the contents of the CAF; and*
- *consents to his or her contact details being passed to the financial adviser.]*

Example:

a. I [name of client] acknowledge that **neither** [name of corporate introducer] **nor** [name of individual effecting the introduction] is:

- (i) giving advice or providing me with recommendations on any investment product;
- (ii) marketing any collective investment schemes to me; or
- (iii) arranging any contract of insurance in respect of life policies for me, other than to the extent of carrying out introducing activities.

b. I consent to [name of corporate introducer/ individual effecting the introduction] forwarding my contact details to [name of financial adviser(s) that the client is being introduced to] for the purpose of effecting the introduction only.

c. I understand that when considering whether to purchase any investment product subsequently, I will be relying on the financial advice that is provided to me by [name of financial adviser(s) that the client is being introduced to].

d. [If applicable,] I understand that [name of corporate introducer/ individual effecting the introduction] will be remunerated for introducing me to [name of financial adviser(s) that the client is being introduced to].

e. ¹¹I acknowledge that I was/was not* (*please delete accordingly*) the party who initiated the introduction by making an express request for information in respect

¹⁰ Financial advisers and introducers should ensure compliance with the requirements of the Personal Data Protection Act 2012 (No. 26 of 2012) in relation to its clients' personal data.

¹¹ This disclosure should be in the CAF only if the client initiated an express request to the financial adviser for information on the investment product or type(s) of investment product(s).

of the [name of investment product(s) or type(s) of investment product(s)] which [name of financial adviser(s) that the client is being introduced to] is authorised to advise on.

f. I have read and understood the above.

MY SIGNATURE ON THIS ACKNOWLEDGEMENT NEITHER CONSTITUTES AN AGREEMENT NOR A COMMITMENT TO PURCHASE ANY INVESTMENT PRODUCT FROM [NAME OF FINANCIAL ADVISER(S) THAT THE CLIENT IS BEING INTRODUCED TO]

Client's Name

Client's Signature / Date

Introducer's Name

Introducer's Signature / Date