



Annex B

Submissions from Respondents

Note: The table below only includes submissions for which respondents did not request that their identity and/or submission be kept confidential.

S/N	Respondent	Responses from Respondent
1	AAM Advisory Pte Ltd	<p>Question 1: MAS seeks comments on the revised FAA Notice (Annex A).</p> <p><u>Distinction between life insurance and life policies</u> Table 2 of MAS’ proposed amended Notice make reference to “life insurance and investment-linked policies (“ILP”)”.</p> <p>Given the (1) difference, though subtle, between “life policies” and “life insurance” in the Insurance Act and (2) that the Financial Adviser Act governs advising on life policies but not life insurance that are not life policies – it may be useful for MAS to replace “life insurance and investment-linked policies” with “life policies”. In addition, investment-linked policies is just a subset of “life insurance” as well as “life policies”.</p> <p><u>“Certify” can be replaced with “Ensure”</u> Paragraph 6.1(a) of the proposed new Notice states the financial adviser must “certify that each of its appointed representatives meet the minimum entry requirements set out in paragraph 3.1.” Is it possible to replace “certify” with “ensure” consistent with (b) and (c) in the same paragraph – as there is little value in giving certifications to all adviser representatives, especially existing ones, on the minimum entry requirements.</p> <p><u>Advisers who are overseas or potential advisers from overseas</u> Given the current COVID-19 situation, some adviser representatives may still be overseas. In non COVID-19 times, there were interest from individuals e.g. extended colleagues from Group entities outside Singapore, about the possibility of financial advising in Singapore. In such an instance it may be useful for such individuals to complete their exams in their home countries before re-basing to Singapore. Is it possible for MAS, SCI and IBF to consider the possibility of CMFAS exam taking online please?</p> <p>Question 2: MAS seeks comments on the revised SFA Notice (Annex B).</p> <p>No comments.</p>
2	Aon Singapore Pte Ltd	<p>Question 1: MAS seeks comments on the revised FAA Notice (Annex A).</p> <p><u>Paragraph 6.3</u> Paragraph 6.3 of the revised FAA Notice (Annex A) requires the financial adviser to maintain a register containing the following information or records for each of its appointed representatives, including:</p> <p>(b) details of the representative’s academic qualifications and how he has met the minimum academic requirement set out in section 3 of this Notice; and</p>



S/N	Respondent	Responses from Respondent
		<p>(c) details of the representative’s fulfilment of the relevant minimum examination requirements set out in section 4 of the Notice, or its exemptions.</p> <p>Can the Authority clarify the extent of information required for the above? For example, does 6.3(b) only require the representative’s highest academic qualification to be recorded, and if the name of institution and date which the qualification was conferred are also required? For 6.3(c), can the Authority clarify whether it is adequate to record the examination modules that were completed, or if the date of passing the examinations is also required?</p> <p>Depending on the Authority’s response to the above, we may need to retrieve any additional information required from external storage facilities, which can be a strain on manpower and given the present Covid-19 situation. Would the Authority therefore consider granting a transition period for FIs to comply with this register requirement under paragraph 6.3?</p> <p>Paragraph 4.3 Based on paragraph 4.3 Table 1, the Authority no longer distinguishes representatives who are advising on CIS listed on exchanges, vs unlisted CIS. For representatives who do not advise on CIS listed on exchanges, they are also required to comply CM-EIP and CM-SIP (previously named as M6 and M6A). This is not the current requirement under FAA-N13 (Para 9).</p> <p>For existing representatives who are advising on unlisted CIS, is there an expectation for them to also complete CM-EIP and CM-SIP following the issuance of this notice? Or would they be considered grandfathered representatives which allow them to continue to advise on CIS both listed and unlisted?</p> <p>If not, appreciate if the Authority could provide for sufficient transition period of 6 months, for the completion of CM-EIP and CM-SIP modules following the issuance of this Notice.</p> <p>Question 2: MAS seeks comments on the revised SFA Notice (Annex B).</p> <p>No comments.</p>
3	Asia Securities Industry and Financial Markets Association	<p>Question 1: MAS seeks comments on the revised FAA Notice (Annex A).</p> <p>Paragraph 4.3 MAS might have missed out indicating footnote 3 to (a)(ii) “units in CIS”.</p> <p>Paragraph 4.5 Prior to the Oct 2018 revisions of Securities and Futures Act (“SFA”)/ Financial Advisers Act (“FAA”), Licensed Fund Management Companies (“LFMCs”) were required to be an Exempt Financial Advisers for conducting Marketing of Collective Investment Schemes (“CIS”) under the FAA. In the Oct 2018 revisions, exemptions were provided to LFMCs under SFA for “Marketing of CIS” when this regulated activity was removed from FAA. However, there are no exemptions provided to LFMCs under SFA for “Advising of CIS and Investment Products”.</p> <p>In view of the implications on licensing and the competency requirements on representatives, the industry would like to seek clarity from MAS that when LFMCs perform FAA activities which are generally incidental to fund management activity or marketing of</p>



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		<p>fund management activity/in-house funds and do not deal directly with Retail Investors whether LFMCS are required to be an Exempt Financial Adviser for “Advising of CIS and Investment Products”? If response is “Yes”, could MAS clarify whether representatives of LFMCS are eligible for the exemptions under paragraph 4.5 of the draft FAA Notice since they do not deal directly with Retail Investors (i.e. fund distribution are via appointed distributors which are regulated financial institutions).</p> <p><u>Paragraph 4.7</u> Could MAS clarify that if a marketing representative also advises on investment fund products which his/her principal’s related corporation manages, such exemption to pass RES5 will not apply (i.e. the marketing representative will have to pass RES5)?</p> <p>If this is indeed the case, such exemption will have negligible practicable use for global or regional fund houses, whose representatives will necessarily market investment fund products which are managed out of other related corporations as well. This is because for global/ regional fund houses, investment capabilities are necessarily situated across different geographical locations.</p> <p><u>Paragraph 5.10</u> The industry would like to seek confirmation from MAS that under paragraph 5.10 of the draft FAA Notice, representatives of LFMCS will not be required to be subjected to the Continuous Professional Development (“CPD”) requirement if the representatives do not deal directly with Retail Investors. If this is the intention, MAS might consider including a footnote in the draft FAA Notice.</p> <p><u>Annex B</u> Could MAS clarify if there is exemption for CM-CMP and CM-CIS? According to MAS Response to Feedback Received-Review of Competency Requirements for Representatives Conducting Regulated Activities under the Securities and Futures Act and Financial Advisers Act dated 25 September 2017, it provided a list of the exemption criteria for CM-CMP and CM-CIS.</p> <p>Question 2: MAS seeks comments on the revised SFA Notice (Annex B).</p> <p><u>Paragraph 2.1</u> The industry would like to reflect that financial institutions (“FIs”) generally do not receive the client’s confirmation to be treated as an accredited investor during the initial marketing stage; such confirmations are usually only obtained during the onboarding stage before a trade/transaction is entered. The representative may still rely on the relevant exemptions for dealing with accredited investors as long as the client is on-boarded only if it agrees to be treated as an accredited investor.</p> <p><u>Paragraph 4.4</u> Could MAS clarify if passing either module M6 or M6A would be equivalent to passing CM-CMP? If this is true, would this contradict the requirements of “Combined Product Knowledge Modules” under the “Table A: CMFAS Exam Modules” in Annex 1 of the draft SFA Notice?</p> <p><u>Paragraph 4.5</u></p>



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		<p>There was no mentioning whether an individual who passed module M6 and M6A under the Cancelled Notice is also deemed to have passed the corresponding modules (i.e. CM-EIP and CM-SIP respectively) as set out in Table A of Annex 1 of the draft SFA Notice. In comparison with paragraph 4.8 of the draft FAA Notice, it stated that an individual who passed M6, 6A under the Cancelled Notice is deemed to have passed CM-EIP, CM-SIP respectively.</p> <p>While the industry understands that it is MAS' intention to "grandfather" the M6 and M6A modules for existing representatives who have passed these modules. For consistency, the industry would like to propose that MAS explicitly mentions this point in paragraph 4.5 of the draft SFA Notice, to deem an individual who passed M6 and M6A under the Cancelled Notice as having completed the corresponding CM-EIP and CM-SIP modules respectively.</p> <p><u>Paragraph 5.1</u> Could MAS clarify if there are exemptions for CM-EIP, CM-SIP or CM-CMP? If so, the industry would be grateful if MAS could indicate them on the draft SFA Notice. According to MAS Response to Feedback Received-Review of Competency Requirements for Representatives Conducting Regulated Activities under the Securities and Futures Act and Financial Advisers Act dated 25 September 2017, it provided a list of the exemption criteria for CM-CMP.</p> <p><u>Paragraph 5.2</u> As representatives may also be registered for "dealing in capital markets products" where they perform underwriting and placement in connection with corporate finance activities (as stated in paragraph 5.2.1(b)), the industry would suggest to revise the paragraph 5.2.1(a) of the draft SFA Notice to the following wordings: "5.2.1(a) he is appointed as an appointed representative in respect of (i) advising on corporate finance and/or (ii) dealing in capital market products."</p> <p>Additionally, referring to paragraph 11 of the existing SFA Notice on Minimum Entry and Examination Requirements for Representatives of Holders of Capital Markets services Licence and Exempt Financial Institutions, the "representative is not required to pass CMFAS Modules 1A, 1B or 6 to conduct dealing in capital products that are securities in connection with his corporate finance activities." In paragraph 5.2 of the draft SFA Notice, it is stated that a representative need not take any of the CMFAS modules in relation to dealing in capital markets products when he/she meets the requirements 5.2.1(a), (b) and (c). The industry interprets this such that since the CMFAS modules in relation to dealing in capital markets products need not be taken going forward, then CMFAS module 6A would not applicable. The industry would like to confirm with MAS if the understanding above is correct.</p> <p><u>Paragraph 5.4.1</u> In the previous regime where "Collective Investment Schemes" was captured under "securities" and the dealing of CIS fell within scope of "dealing in securities – CIS" under the SFA and "Marketing of CIS" under the FAA, representatives who conduct such dealing (including marketing) activities of CIS to Accredited and Institutional investor were exempted from CMFAS examination requirements. The industry understands that based on the consultation paper in consolidating dealing (including marketing) activities of CIS under the SFA, it is MAS' intention to continue to apply the same exemptions available under the previous regime.</p>



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		<p>The revised notice indicates the following person “a person whose principal manages funds...” is exempted from CMFAS examination requirements under paragraph 5.4.1. However, this exemption may be interpreted to apply only to persons whose principal only manages funds (e.g. Fund Management Companies (“FMCs”) and not representatives of other FIs (such as wholesale banks, merchant banks (exempt FIs)) who conduct such dealing (including marketing) activities of CIS. This is especially so when read together with the current SFA exam notice’s FAQ Question 7, the exemption seems to apply only to representatives of FMCs (e.g. Licensed FMCs). Could MAS confirm that this exemption extends to exempt FIs and their representatives who deal in CIS to persons captured under paragraph 5.4.1?</p> <p><u>Paragraph 5.5</u> Under the existing SFA Exam Notice, paragraph 24(b) highlighted that specific representative is not required to pass Modules 2A and 6A for dealing in Capital Markets Products that are Exchange Traded Derivatives Contracts which are Futures Contracts if it is a person who meets the conditions and restrictions specified in paragraph 3 of the second schedule of the SFR.</p> <p>However, under the draft SFA Exam Notice paragraph 5.5, there is no such reference to paragraph 3 of the second schedule of the SFR under the conditions where an individual is not required to meet the CMFAS Exam requirements or deemed to have passed the RES module. Could MAS clarify if this is removed because the persons who are exempted from licensing under the second schedule of the SFR are not required to take any CMFAS examinations in the first place?</p> <p><u>Paragraph 5.5.3</u> It appears that the word “and” at the end of the sentence in paragraph 5.5.3(b)(i) should be removed, could MAS confirm if this is a typo?</p> <p>i.e. (b)(i) deals only in exchange-traded derivatives contracts that are not futures contracts and that are Excluded Investment Products, and he had satisfied the CMFAS Exam requirements under the 2018 SFA Exam Notice for dealing in securities that are Excluded Investment Products; and (ii) he deals only in exchange-traded derivatives contracts that are not futures contracts and that are Specified Investment Products, and he had satisfied the CMFAS Exam Requirements under the 2018 SFA Exam Notice for dealing in securities that are Specified Investment Products; or (iii) he deals only in exchange-traded derivatives contracts mentioned in sub-paragraphs (i) and (ii), and he had satisfied the CMFAS Exam Requirements under the 2018 SFA Exam Notice mentioned in both sub-paragraphs (i) and (ii).</p> <p><u>Paragraph 5.8.3</u> Given that Module 4A applies to both equity and debt securities, the industry would suggest the following edits for paragraph 5.8.3 for more clarification:</p> <p>“5.8.3 Subject to paragraph 6.1.2, an individual who passed the module M4A under the Cancelled Notice, and confines his advising on corporate finance to equity and debt securities only, is treated as having satisfied the CMFAS Exam Requirements stipulated in paragraph 4.3 for advising on corporate finance.”</p>



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		<p><u>Paragraph 5.11</u> In the temporary relief measure for FIs to appoint representatives between 9 April 2020 and 30 September 2020, MAS has granted a grace period of 6 months for these representatives to complete their CMFAS exam. As these representatives have already been preparing their CMFAS exam based on the current CMFAS exam modules, it is not recommended to roll out the “T-date” during Q1 2021, which may coincide with the 6-month grace period.</p> <p>The industry would propose for the revised CMFAS modules to be rolled out only after the 6-month grace period under the temporary relief measure has lapsed (e.g. in Q2 2021 or a later date if MAS may extend the temporary relief measure).</p> <p><u>Paragraph 6.2.1</u> The industry would like to propose that MAS aligns the timelines with that prescribed for the rules and regulations modules and only require a representative to retake the Product Knowledge Modules if the individual ceased to conduct the regulated activity for more than 3 years.</p> <p><u>Paragraph 7.3</u> The industry believes that the certification mentioned in paragraph 7.3 refers to the certification that FIs currently need to provide when submitting a RNF notification to appoint a new representative/add new regulated activities; there is no intention to impose additional obligation on FIs to provide additional certification to MAS on a periodic basis. Could MAS confirm if the understanding above is correct?</p> <p><u>Paragraph 8.9</u> Could MAS confirm that representatives of LFMCS who do not deal directly with Retail Investors, will not be required to be subjected to the CPD requirement under the FAA Notice if the LFMCS are Exempt Financial Adviser? If so, MAS might consider editing the wordings of the footnote in the draft SFA Notice.</p> <p><u>Paragraph 8.10</u> Could MAS provide more specific clarity on what it intends to exclude? For instance, a representative may attend in-house sessions organised by his/her own principal firm regarding fund, product or industry updates as part and parcel of their job. These sessions however would serve to enhance his/her competency professional education.</p> <p><u>Paragraph 9.3</u> The industry would like to highlight that there is inconsistency in the exemption of CPD requirements for representatives serving Expert Investors under the draft SFA Notice vs the draft FAA Notice. Under the draft SFA Notice, the CPD does not apply to appointed representatives serving Accredited and/or Institutional investors. However, under the paragraph 5.8 and Annex A of the draft FAA Notice, CPD does not apply to appointed representatives serving Accredited, Institutional as well as Expert Investors. For consistency in the exemption treatment, the industry would like to propose that MAS considers aligning the exemption for CPD requirements under the draft SFA Notice to that of the draft FAA Notice, i.e. CPD requirements can be exempted for representatives serving Expert Investors under both Notices.</p>



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		<p>Additionally, would there be any exemption for private banking representatives from the requirements of CMFAS examinations and CPD hours for executing sell trades for non-Accredited Investor (“non-AI”) clients who used to be Accredited Investor (“AI”) clients but (i) no longer fulfil the AI-eligibility requirement, (ii) opted out from being treated as an AI or (iii) did not provide the opt-in confirmation required under paragraph 3(5) of the Securities and Futures (Classes of Investors) Regulations, as part of account closure. These sell trades will be executed based on clients’ instructions without provision of financial advice.</p> <p><u>Annex 1</u> Under the current SFA Exam Notice, Sales and Distribution staff in Fund Management Companies would take M5 and M8 and/or M8A in order to conduct the regulated activity of Fund Management (specifically, Fund Management for appointed representatives marketing units in any collective investment schemes that the specific representative’s principal or principal’s related corporation manages the property of, or operates). In the proposed SFA Exam Notice, this option is not available anymore. For the regulated activity of Fund Management, the only applicable exams are RES3 + M6. Could MAS clarify if Sales and Distribution staff in Fund Management Companies no longer have the option to take RES5 + M8 and/or M8A (as the case may be) for the regulated activity of Fund Management?</p> <p>In addition, the module CM-EIP was stated as the replacement exam for M6 in Table A while the “Product Knowledge Modules” column of Table C made reference to M6 and M6A (these two modules would have been replaced by CM-EIP and CM-SIP). As paragraph 4 stated “An individual may pass the module CM-CMP in lieu of the module M6 or M6A, or both modules”, would MAS revise the Table C of Annex 1 to reflect the aforesaid update (e.g. the applicable exams for the regulated activity of Fund Management should be RES3 + CM-EIP instead of RES3 + M6)?</p>
4	CFA Society Singapore	<p>Question 1: MAS seeks comments on the revised FAA Notice (Annex A).</p> <p>We are supportive of the key change in item (i) [to] introduce ethics and skills content into the existing rules and regulations modules to form the rules, ethics and skills (“RES”) modules.</p> <p>The ethics component is necessary due to the following:</p> <p>CFA Institute released the fourth edition of its trust report in 2020, revealing that the financial services industry in Singapore earned the trust of 36% (a fall from 47% in 2018) of retail investors surveyed (vs. 46% globally, 49% APAC). The fall in trust levels can be tied to various issues including ethical conduct and putting investors first. The full report can be downloaded from - https://trust.cfainstitute.org/</p> <p>We also include two Business Times article in 2018 and 2020 on low trust levels in Singapore:</p> <ol style="list-style-type: none"> 1) 2018 article - https://www.businesstimes.com.sg/banking-finance/singapore-retail-investors-have-low-trust-in-financial-services-industry 2) 2020 article – https://www.businesstimes.com.sg/wealth-investing/singapore-retail-investors-trust-in-financial-institutions-falls <p>In addition, the retail investors surveyed in the 2020 research also flagged up ‘commitment to ethical conduct’ as one of the key attributes in selecting a financial adviser in Singapore.</p>



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		<p>CFA Society Singapore would also want to highlight shortcomings to existing ethics curriculum. Almost all ethics curriculum and courses around the world, including the ones in the CFA Program and in Singapore, have two components:</p> <ol style="list-style-type: none"> 1) The awareness component – what is the code and standards of professional conduct, or rules and regulations 2) The analysis component – how do we apply the above to a unique context, hypothetical scenario or scenarios in case studies <p>However, awareness and analysis components are insufficient. Most appointed representatives know that certain practices are downright unethical from knowledge gained during onboarding, compliance and ethics training. They also know what should be done. But they are not equipped on how to take action without losing their job or being penalised. This crucial missing component can be summed up by the following extract from Mary Gentile’s “Giving voice to values” publication:</p> <p><i>The main idea behind Giving Voice to Values (GVV) is the observation that a focus on awareness of ethical issues and on analysis of what the right to do may be is insufficient. Precious little time is spent on action – that is, developing the “scripts” and implementation plans for responding to the commonly heard “reasons and rationalizations” for questionable practices, and actually practicing the delivery of those scripts.</i></p> <p><i>GVV is all about this neglected area of scripts and action plans and practice: building the skills, the confidence, the moral muscle, and, frankly, the habit of voicing our values. It begins with the assumption that most of us want to bring our whole selves to work – skills, ambitions, and values. Yet we know from experience and research that most of us will encounter values conflicts in our careers, when the way we want to live and the things we want to accomplish seem in conflict with the expectations of our clients, our peers, our bosses, or our organizations. That is why this skill and practice-based approach is essential.</i></p> <p>To this end, CFA Institute has adopted Mary Gentile’s GVV programme to plug this gaping hole in ethics education.</p> <p>Question 2: MAS seeks comments on the revised SFA Notice (Annex B).</p> <p>Response as per Question 1.</p>
5	Citibank Singapore Limited	<p>Question 1: MAS seeks comments on the revised FAA Notice (Annex A).</p> <p>An appointed representative who is Arranging of any contract of insurance in respect of a) mortgage reducing term assurance (MRTA) policies or group term life insurance policies or both, other than a contract of reinsurance AND b) life policies will be subject to 30 CPD hours (6 core CPD hours and 24 supplementary hours). 24 Supplementary hours being the higher of 10 for MRTA and 24 for life insurance as per the provisions of Sec 5.3 (a) (ii)</p> <p>OR</p> <p>Will the appointed representative be subject to a total of 40 CPD hours (6 core CPD hours + 24 supplementary hours for life insurance + 10 supplementary hours for MRTA and group life insurance?)</p>



S/N	Respondent	Responses from Respondent
		<p>Question 2: MAS seeks comments on the revised SFA Notice (Annex B).</p> <p>Nil.</p>
6	Eastspring Investments (Singapore) Limited	<p>Question 1: MAS seeks comments on the revised FAA Notice (Annex A).</p> <p><u>Paragraph 1.1</u> We seek MAS' confirmation that the "Cancelled Notice" refers to the earlier Notice issued on 26 November 2016 and last amended on 8 April 2020 on the same subject.</p> <p><u>Paragraph 3.1 (b)(iv) Footnote 2</u> We would appreciate MAS' confirmation that an updated FAQs will be issued together with the revised FAA Notice and SFA Notice.</p> <p><u>Table 1 Footnote 3</u> We would appreciate MAS' confirmation that Footnote 3 indicates that individuals who will be advising on both securities and units in CIS need not take M8 or M8A, if they have taken CM-EIP or CM-SIP respectively.</p> <p><u>Table 2</u> We note that there is no combined module set out under Table 2 for individuals who will be advising on both securities and units in CIS. Would MAS be introducing one such combined module? If not, we would like to seek MAS' confirmation that for an individual who will be advising on both securities and CIS, the applicable modules will be:</p> <ul style="list-style-type: none">• RES5 + CM-EIP + CM-SIP; or• RES5 + CM-CMP. <p><u>Paragraphs 4.5, 5.10(a) and Annex A</u> The business model of certain licensed fund management companies ("LFMCs") is to engage distributors (that are regulated financial institutions) to market the funds under their management. As such, appointed representatives of such LFMCs typically do not deal and interface directly with end retail investors and hence do not provide financial advisory services to end retail investors.</p> <ol style="list-style-type: none">1) We would appreciate MAS' confirmation that appointed representatives of such LFMCs are exempted from minimum examination requirements and the continuing professional development ("CPD") requirements as set out under para 4.5 and para 5.10(a).2) We respectfully suggest that MAS may consider setting out the above clarification in the draft FAA Notice / FAQs to the FAA Notice. <p><u>Paragraph 4.7(b)</u></p> <ol style="list-style-type: none">1) We would appreciate MAS' clarifications on the following:<ol style="list-style-type: none">i. Does "customised information on investment fund products" include information on the underlying investments of the funds?ii. Does "customised information" means customised to the needs of specific investors?



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		<p>iii. Does this mean that portfolio managers, who meet specific clientele (both potential and existing) to talk about the funds that they manage, do not need to be appointed representatives under the FAA to provide financial advisory services? Also, how would this apply in the case where the portfolio managers speak at roadshow/media or are invited to speak at seminars or investment events organized by media or distributors etc?</p> <p>iv. In the case of individuals who are involved in setting up roadshows, but they do not speak to investors at the roadshows, do they need to be appointed representatives under SFA to carry out the regulated activity of fund management and under FAA to provide financial advisory services as implied from para 4.7(b)?</p> <p>2) Referring to para 4.7(b)(ii)(B), we respectfully suggest that MAS expands the exemption to pass RES5 for marketing representatives of a fund management company (“FMC”), who also provides customised information on investment fund products which his principal’s related corporation(s) manages. The principle for this would be consistent with paragraph 2(m) of the Second Schedule to the Securities and Futures (Licensing and Business Conduct) Regulations, which FMCs are exempted from the need to hold a CMS licence for dealing in capital markets products that are units in a CIS where they market funds that they manage or funds that are managed by their related corporations.</p> <p>3) Referring to Para 4.7(b)(iii), we would appreciate MAS’ confirmation that should an individual wish to take the least number of CMFAS exam modules, this would mean that the individual, who conducts fund management and provides the financial advisory services of advising on CIS, securities, exchange-traded derivatives contracts, spot foreign exchange contracts for the purposes of leveraged foreign exchange trading and/or over-the-counter derivatives contracts, where these are EIPs and SIPs, is required to only pass modules RES3 + CM-CMP.</p> <p><u>Paragraph 5.6 Footnote 4</u> Related to our above feedback on para 5.10(a) and Annex A of the draft FAA Notice, we respectfully suggest that MAS considers setting out the clarification in this footnote that appointed representatives of LFMCS, who do not deal or interface directly with end retail investors, are not subject to the CPD requirement under the draft FAA Notice.</p> <p><u>Paragraph 6.3</u> Cross-referencing to para 7.1 of the draft SFA Notice as extracted below: “A holder of a CMS licence or an exempt FI is required to maintain a register stating whether its representatives are subject to the CMFAS Exam Requirements relevant to the regulated activities of the representatives. A holder of a CMS licence or exempt FI must enter in the register the type of regulated activities conducted by the representative, the date on which its representative completed the examination, and in respect of such representative who is not required to pass certain modules of the CMFAS Exam under this Notice, to state the details thereof, if any.”</p> <p>For consistency with the draft SFA Notice, we respectfully suggest that MAS excludes the requirement in the draft FAA Notice for financial advisers to record details of the representative’s academic qualifications and how he has met the minimum academic requirement in a register.</p> <p><u>Annex B</u></p>



S/N	Respondent	Responses from Respondent
		<p>1) With respect to the combined product knowledge modules, we note that the 4th column “Individuals who are exempted from module” is blanked out.</p> <p>We refer to paragraph 7.3 and Annex D of MAS’ Response to Feedback Received on the Consultation Paper on Review of Competency Requirements for Representatives Conducting Regulated Activities under the Securities and Futures Act and Financial Advisers Act issued on 25 September 2017, where MAS had clarified that “the exemption criteria for the combined product knowledge modules CM-CMP (M6 and M6A), CM-CIS (M8 and M8A), and CM-LIP (M9 and M9A) will follow the current exemption criteria for the underlying product knowledge modules”. Annex D further sets out that the list of qualifications that can qualify for exemptions from the combined product knowledge modules CM-CMP and CM-CIS is as follows:</p> <p>“(a) Degree or higher qualification in finance, financial engineering or computational finance</p> <p>(b) Chartered Financial Analyst (CFA) by the CFA Institute, USA.”</p> <p>Considering the above, we would like to seek MAS’ confirmation that the exemption criteria for the combined product knowledge modules CM-CMP and CM-CIS are as set out above. If so, we respectfully suggest that MAS explicitly sets out the above exemption criteria for the combined product knowledge modules in the 4th column of Table B-1 accordingly.</p> <p>2) Referring to the 4th column “Individuals who are exempted from module” for certain modules, we note that “Chartered Financial Analyst (CFA)” is one of the exemption conditions. We would appreciate MAS’ clarification that this refers to “Chartered Financial Analyst (CFA) by the CFA Institute, USA”, as set out in Annex C and D as well.</p> <p>Question 2: MAS seeks comments on the revised SFA Notice (Annex B).</p> <p><u>Paragraph 1.2</u> We seek MAS’ confirmation that the “Cancelled Notice” refers to the earlier Notice issued on 11 August 2010 and last amended on 8 April 2020 on the same subject.</p> <p><u>Paragraph 3.3</u> We note that paragraph 3.1(b)(ii) of the draft FAA Notice recognises an International Baccalaureate Diploma as a minimum academic qualification under the minimum entry requirements. For consistency, we would appreciate MAS’ clarification on whether an International Baccalaureate Diploma would also fulfil the minimum entry requirements under the draft SFA Notice.</p> <p><u>Paragraph 4.4</u> Referring to Table A under Annex 1 of the draft SFA Notice, we note that the terms “M6” and “M6A” are used under the column “CMFAS Exams under the Cancelled Notice”, and the corresponding terms set out under the column “CMFAS exams under this Notice” are “CM-EIP” and “CM-SIP” respectively. Further, we note in the draft FAA Notice that the terms “CMP-EIP” and “CM-SIP” have been used to replace “M6” and “M6A” respectively.</p> <p>1) In this regard, we would like to seek MAS’ confirmation that M6 and M6A would be replaced by the modules CM-EIP and CM-SIP respectively in the draft SFA Notice as well.</p>



S/N	Respondent	Responses from Respondent
		<p>2) If so, we respectfully suggest that MAS replaces “M6” and “M6A” with “CM-EIP” and “CM-SIP” respectively throughout the draft SFA Notice.</p> <p><u>Paragraph 4.5</u> We noted from paragraph 4.8 of the draft FAA Notice that “Subject to paragraph 4.20, an individual who passed Module 6, 6A, 8, 8A, 9 or 9A under the Cancelled Notice is deemed to have passed respectively CM-EIP, CM-SIP, M8, M8A, M9 or M9A of the CMFAS Exam under this Notice.”</p> <p>1) We would like to seek MAS’ confirmation that an individual who passed M6 and M6A under the Cancelled (SFA) Notice is also similarly deemed to have passed the corresponding module of the CMFAS Exam (i.e. CM-EIP and CM-SIP respectively) under this draft SFA Notice. This also takes into account the terms “CM-EIP” and “CM-SIP” being used to replace “M6” and “M6A” in Table A under Annex 1 of the draft SFA Notice as mentioned in our feedback above.</p> <p>2) If so, for clarity, we respectfully suggest that MAS sets this out in paragraph 4.5 as well.</p> <p><u>Paragraphs 5.1.1 and 5.1.2</u> 1) We seek MAS’ confirmation that the exemption criteria set out under para 5.1.1 and 5.1.2 relates to the module CM-EIP and CM-SIP respectively.</p> <p>2) Further, we would like to seek MAS’ confirmation that the exemption criteria for module CM-CMP will follow the exemption criteria for the underlying product knowledge modules CM-EIP and CM-SIP.</p> <p>3) If so, we respectfully suggest that MAS explicitly sets out the exemption criteria for module CM-CMP as above for clarity.</p> <p><u>Paragraph 8.9 Footnote 3</u> The business model of certain LFMCS is to engage distributors (that are regulated financial institutions) to market the funds under their management. As such, appointed representatives of such LFMCS typically do not deal and interface directly with end retail investors and hence do not provide financial advisory services to end retail investors.</p> <p>1) We would appreciate MAS’ confirmation that appointed representatives of such LFMCS are exempted from the CPD requirements under the draft FAA Notice.</p> <p>2) If so, we respectfully suggest that MAS may consider setting out the above clarification in this footnote in the draft SFA Notice as well.</p> <p><u>Paragraph 9.1</u> We would appreciate MAS’ clarification on how the sentence extracted below, which appears after (a) and (b), would apply in the context of para 9.1: “the calendar year in which he passes the applicable module or modules, as the case may be”.</p> <p><u>Paragraph 9.3</u></p>



S/N	Respondent	Responses from Respondent
		<p>We would appreciate MAS’ confirmation that appointed representatives of LFMCS, who do not interface directly with retail investors and are not involved in the actual management of retail funds, are exempted from complying with the 9 hours CPD requirement under the draft SFA Notice as set out under para 9.3. If so, we respectfully suggest that MAS may consider setting out the above clarification in the draft SFA Notice / FAQs to the SFA Notice.</p> <p><u>Table C under Annex 1</u></p> <ol style="list-style-type: none"> 1) We note from para 4.4 that an individual may pass module CM-CMP in lieu of Module M6 or M6A, or both. As such, for completeness, we respectfully suggest that MAS should reflect CM-CMP in the last column of Table C as well. 2) In addition, we would appreciate MAS’ confirmation that the module CM-EIP will replace M6 as set out in Table A under Annex 1, and hence the applicable exams for the regulated activity of Fund Management should be RES3 + CM-EIP, instead of RES3 + M6. 3) Under the Cancelled Notice, an individual who conducts the regulated activities of dealing in securities and CIS for a principal that is not a member of an approved exchange, can pass either M1A or M1B. However, in Table C under Annex 1 of the draft SFA Notice, we note that only RES1B or RES12B is applicable to such individual. We are of the view that MAS should expand the list of applicable exams for dealing in securities and CIS to include RES1A to cater for individuals who may want to transfer from a principal that is a member of an approved exchange to a principal that is not a member of an approved exchange. 4) Similarly, for individuals who conduct the regulated activities of dealing in OTC derivatives and spot foreign exchange contracts for the purposes of leveraged foreign exchange trading (“Spot FX (Leveraged)”), we respectfully request that MAS considers expanding the list to include RES2A. 5) We note that previously under the Cancelled Notice, individuals who conduct the regulated activities of dealing in OTC Derivatives and Spot FX (Leveraged) need to pass either M1A or M1B or M2A. In Table A under Annex 1 of the draft SFA Notice, the corresponding modules for these modules are RES1A, RES1B and RES2A & RES2B respectively. However, in Table C under Annex 1 of the draft SFA Notice, the required module for individuals who conduct the regulated activities of dealing in OTC derivatives and Spot FX (leveraged) is RES2B or RES12B. We would appreciate MAS’ clarification on whether we can still consider that an individual, who has passed M1A, has fulfilled the minimum exam requirements for carrying out these two regulated activities. <p><u>Others</u></p> <p>When marketing of CIS was moved to SFA on 8 October 2018, MAS clarified that individuals who carried out this activity will need to be an appointed representative to carry out the regulated activity of Fund Management and the applicable CMFAS exam modules remain as M5, M8 and M8A. We would like to seek MAS’ clarification on whether such individuals are required to pass RES5 + CM-EIP + CM-SIP to be an appointed representative to carry out the regulated activity of Fund Management or such individuals are only required to pass RES3 + CM-EIP + CM-SIP?</p>
7		Question 1: MAS seeks comments on the revised FAA Notice (Annex A).



S/N	Respondent	Responses from Respondent
	Investment Management Association of Singapore	<p><u>Clarifications on Paragraph 4.7</u> Regarding Paragraph 4.7(b)(ii)(A), one of IMAS’ members was of the view that:</p> <ul style="list-style-type: none"> • Apart from being portfolio managers, investment professionals may be involved in the management of an investment fund product as research analysts or back-up managers. Therefore, it is being proposed that such investment professionals should be similarly exempted under paragraph 4.7(b)(ii)(A). • Investment professionals typically work as a team or as part of a unique investment advisory group. As long as the investment fund product is managed by the same team/investment advisory group, it is proposed that such investment professionals be similarly exempted under paragraph 4.7(b)(ii)(A). <p>Regarding Paragraph 4.7(b)(ii)(B), one of our members was of the view that the exemption should be expanded to include investment fund products which the individual’s principal or principal’s related corporation manages. As these marketing representatives are not involved in the managing of the investment fund products, whether an investment fund product is managed by the principal or the principal’s related corporation should not make a difference.</p> <p>Paragraph 4.7 specifically refers to exemption from RES5. If an individual is exempted from RES5 based on Paragraph 4.7(b), we would like to clarify whether the individual still need to pass any particular product knowledge modules, especially M8 and M8A.</p> <p><u>Clarification on Annex B, Table B-1: CMFAS Exam Modules and Applicable Exemption Conditions</u> IMAS would like to clarify whether there is any exemption available for the combined product knowledge modules, CM-CMP and CM-CIS. In Annex D of the MAS’ Response to Feedback Received - Review of Competency Requirements for Representatives Conducting Regulated Activities under the Securities and Futures Act and Financial Advisers Act issued on 25 September 2017, it sets out qualifications that can qualify for exemptions from combined product knowledge modules.</p> <p><u>Clarification on implications on licensing and competency requirements</u></p> <ul style="list-style-type: none"> • Prior to the Oct 2018 revisions of Securities and Futures Act (“SFA”)/ Financial Advisers Act (“FAA”), Licensed Fund Management Companies (“LFMCs”) are required to be an Exempt Financial Adviser for conducting Marketing of Collective Investment Schemes (“CIS”) under the FAA. In the Oct 2018 revisions, exemptions were provided to LFMCs under SFA for “Marketing of CIS” when this regulated activity was removed from FAA. However, there are no exemptions provided to LFMCs under SFA for “Advising of CIS and Investment Products”. In view of the implications on licensing and the competency requirements on representatives, we would like to clarify with MAS, for LFMCs, when they perform FAA activities which are generally incidental to fund management activity or marketing of fund management activity/ in-house funds and do not deal directly with Retail Investors whether: <ol style="list-style-type: none"> a) LFMCs are required to be an Exempt Financial Adviser for “Advising of CIS and Investment Products”; and



S/N	Respondent	Responses from Respondent
		<p>b) If response is “Yes” for (a), please clarify whether representatives of LFMCS are eligible for the exemptions provided under para 4.5 of the draft FAA Notice since they do not deal directly with Retail Investors i.e. fund distribution are via appointed distributors which are regulated financial institutions.</p> <ul style="list-style-type: none"> • Under paragraph 4.3 Table 1, MAS might have missed out indicating footnote 3 to (a)(ii) Units in CIS. • We would also like to seek clarification from MAS that under para 5.10 of the Revised FAA Notice, representatives of LFMCS will not be required to be subjected to the Continuous Professional Development (“CPD”) requirement if the representatives do not deal directly with Retail Investors. If this is the intent, MAS may wish to include a footnote in the Revised FAA Notice to reflect so.
		<p>Question 2: MAS seeks comments on the revised SFA Notice (Annex B).</p> <p><u>Clarification on Paragraph 4.4</u> IMAS seeks clarification from MAS if passing either module M6 or M6A would mean passing CM-CMP. If indeed so, we would like to clarify whether this would contradict the requirements of “Combined Product Knowledge Modules” in Annex 1.</p> <p><u>Clarification on Paragraph 5.1</u> IMAS seeks clarification from MAS if there are exemptions for CM-EIP, CM-SIP or CM-CMP. If so, one of IMAS’ members proposes to indicate that in the draft SFA Notice. Separately, the IMAS member noted that in Annex D of the MAS’ Response to Feedback Received - Review of Competency Requirements for Representatives Conducting Regulated Activities under the Securities and Futures Act and Financial Advisers Act issued on 25 September 2017, it provided the exemption criteria for CM-CMP.</p> <p><u>Clarification on Paragraph 8.10</u> Paragraph 8.10 states that “CPD training” in paragraph 8 includes various courses/programmes which have clear learning objectives and outcomes that are clearly documented and independently verified, but excludes activities that are part of the job scope of an appointed representative. IMAS respectfully asks that MAS provides more clarity on what it intends to exclude. For instance, a representative may attend in-house sessions organised by his/her own principal firm regarding fund, product or industry updates as part and parcel of their job. These sessions however would serve to enhance their competency and professional education.</p> <p><u>Clarifications on changes between proposed SFA Notice (“Revised SFA Notice”) and existing Notice issued 11 August 2010 and last revised 8 April 2020, Notice No: SFA04-N09 (Amendment) 2020, (“Cancelled SFA Notice”)</u></p> <p>a) Clarifications on Paragraphs 11A and 11B of the Cancelled SFA Notice</p> <p>Paragraphs 11A and 11B of the Cancelled SFA Notice state that:</p> <p>“11A: Where a specific representative carries out the regulated activity of fund management only to the extent of marketing units in any collective investment scheme that the specific representative’s principal or principal’s related corporation manages the property of, or</p>



S/N	Respondent	Responses from Respondent
		<p>operates, he must pass – (a) M5 and M8, where he markets units in a collective investment scheme that are Excluded Investment Products; and (b) M5 and M8A, where he markets units in a collective investment scheme that are Specified Investment Products; instead of M3 and M6.”</p> <p>“11B Where a specific representative carries out the regulated activity of fund management which includes but is not limited to the marketing of units of any collective investment scheme as set out in paragraph 11A, he must pass – (a) M5 and M8, where he markets units in a collective investment scheme that are Excluded Investment Products; and (b) M5 and M8A, where he markets units in a collective investment scheme that are Specified Investment Products, in addition to M3 and M6.”</p> <p>IMAS noted that the Revised SFA Notice no longer distinguishes between “Fund Management” and “Fund Management for appointed representatives marketing units in any collective investment schemes that the specific representative’s principal or principal’s related corporation manages the property of, or operates”. It is further noted that the requirement to take M5, and M8 and/or M8A no longer exists in the revised SFA Notice.</p> <p>Given so, we would like to clarify whether this means that, under the Revised SFA Notice, representatives who market units in a collective investment scheme that the representatives’ principal or principal’s related corporation manages the property of, will not be required to pass M5, and M8 and/or M8A and that they will only be required to pass RES3 and M6 (as per Table A of Annex 1 in the Revised SFA Notice).</p> <p>b) Clarifications on differences between Paragraph 28 of the Cancelled SFA Notice and Paragraph 5.9.1 of the Revised SFA Notice</p> <p>Paragraph 5.9.1 of the Revised SFA Notice states that: “An individual is not required to meet the CMFAS Exam requirements stipulated in paragraph 4.3 for fund management if he is an individual whose principal manages funds only for one or more of the following: (a) accredited investors; (b) institutional investors other than collective investment schemes; (c) collective investment schemes or closed-end funds, the units of which are the subject of an offer, or invitation for subscription or purchase – (i) made only to persons outside Singapore; (ii) made only to persons in Singapore where such offer or invitation is made only to accredited investors, institutional investors, or both accredited investors and institutional investors; or (iii) made both to persons in Singapore and to persons outside Singapore, and where such offer or invitation made in Singapore is made only to accredited investors, institutional investors, or both accredited investors and institutional investors.”</p> <p>This is different from the Cancelled SFA Notice, of which paragraph 28 states that: “A specific representative who meets any one or more of the following criteria in respect of fund management is not required to pass Modules 3 and 6: (a) deleted (b) a person who manages funds only for any one of the following: (i) accredited investors;</p>



S/N	Respondent	Responses from Respondent
		<p>(ii) institutional investors other than a collective investment scheme; or (iii) a collective investment scheme or closed-end fund, the units of which are the subject of an offer or invitation for subscription or purchase – (A) made only to persons outside Singapore; (B) made only to persons in Singapore and where such offer or invitation is made only to accredited investors, institutional investors in Singapore or both accredited investors and institutional investors; or (C) made both to persons in Singapore and to persons outside Singapore, and where such offer or invitation made in Singapore, is made only to accredited investors and institutional investors in Singapore, or both accredited investors and institutional investors;”</p> <p>The criteria for applying the exemptions under the Cancelled SFA Notice seems to be dependent upon the representative’s activities, and the exemptions are extended to individuals who manage funds for the class of investors under paragraph 28(b) (i), (ii) and (iii). This would mean that, even if the representative’s principal is a Retail LFMC, a representative who confines his activities to the class of investors stated in the preceding sentence would not be required to pass M3 and M6.</p> <p>On the other hand, the criteria for applying the exemptions under the Revised SFA Notice seems to be dependent upon the principal’s activities, where exemptions seemed to be only available to individuals whose principals only manage funds for the class of investors under paragraph 5.9.1 (a), (b) and (c) of the Revised SFA Notice. This would likely mean that the exemption can only be applied to the likes of A/I LFMCS and RFMCS.</p> <p>As many Retail LFMC have representatives who only manage funds for the class of investors under paragraph 28(b) (i), (ii) and (iii) of the Cancelled SFA Notice, one of IMAS’ members is of the view that these representatives should similarly not be required to meet the CMFAS Exam requirements stipulated in Paragraph 4.3 of the Revised SFA Notice for fund management.</p> <p>c) Clarification on differences between M6/M6A (referred to in the Cancelled SFA Notice) and CM-EIP/CM-SIP (referred to in the Revised SFA Notice)</p> <p>IMAS seeks clarification on whether M6/M6A and CM-EIP/CM-SIP refer to the same CMFAS exam modules. It is noted that under Table A of Annex 1 of the Revised SFA Notice, M6 and M6A were referred to as “CMFAS Exams under the Cancelled Notice”, while CM-EIP and CM-SIP were referred to as “CMFAS Exams under this Notice” (i.e. referring to the Revised SFA Notice). However, it is stated in Table C of Annex 1 that the regulated activity of Fund Management requires a pass in RES3 and M6 (not CM-EIP). Various references were also made to M6 throughout the Revised SFA Notice (e.g. Annex 2). Given so, we would like to clarify whether the relevant CMFAS exams pertaining to the regulated activity of fund management are RES3 and M6, or would the modules be RES3 and CM-EIP.</p> <p>d) Clarification on Annex 1 – Table C: CMFAS Exam requirements for individuals who carry out regulated activities for a principal that is not a member of an approved exchange</p> <p>In addition, the “Product Knowledge Modules” column is making reference to M6 and M6A but these two modules will be replaced with CM-EIP and CM-SIP. In addition, Paragraph 4 states “An individual may pass the module CM-CMP in lieu of the module M6 or M6A, or</p>



S/N	Respondent	Responses from Respondent
		<p>both modules”. Should Table C of Annex 1 be updated to reflect the abovementioned for clarity?</p> <p>e) Clarifications on Exemptions from the CMFAS Exam and CPD Requirements in the FAQ to the Cancelled SFA Notice</p> <p>The current set of FAQs to the Cancelled SFA Notice includes the following clarification:</p> <p>Q7A: Are representatives of fund management companies who market funds to distributors (who are institutional investors) exempted from the CMFAS Exam and CPD requirements? A7A: Representatives who markets funds to distributors are exempted from CMFAS and CPD requirements.</p> <p>IMAS would like to enquire if this clarification still applies under the Revised SFA Notice, and if so, IMAS seeks clarification on the scope of “distributors” stated in Q7A/A7A. In particular, fund houses may consider Financial Advisers as their distributors as well, and hence one of our members was of the view that representatives of fund management companies who market funds to distributors who are Financial Advisers should also be exempted from CFMAS and CPD requirements.</p> <p>f) Clarifications on the term “serve”, that is used in both Paragraph 38K of the Cancelled SFA Notice and Paragraph 9.3 of the Revised SFA Notice</p> <p>Paragraph 38K of the Cancelled SFA Notice states that: “Paragraphs 37B, 38A or 38C do not apply to appointed representatives who serve only accredited investors, institutional investors, or both accredited investors and institutional investors.”</p> <p>Similarly, Paragraph 9.3 of the Revised SFA Notice states that: “Paragraph 8 does not apply to –</p> <ol style="list-style-type: none"> a) an appointed representative who serves only accredited investors or institutional investors, or only accredited investors and institutional investors; and b) a principal of such an appointed representative in relation to that appointed representative.” <p>IMAS seeks clarification on the term “serve”, and requests for further guidance/clarity on what types of activities this term encompasses.</p> <p>g) Clarifications on change in Regulated Activities</p> <p>Under the Cancelled SFA Notice, IMAS noted that MAS has indicated the following as a regulated activity under Table 2: “Fund Management for appointed representatives marketing units in any collective investment schemes that the specific representative’s principal or principal’s related corporation manages the property, or operates”. However, this regulated activity has been removed from Table C in the Revised SFA Notice and IMAS would like to enquire the reason for the removal.</p> <p>Similarly, IMAS seeks clarification on whether individuals appointed to conduct the regulated activity of Fund Management are no longer required to take RES5, M8 & M8A, if their job</p>



S/N	Respondent	Responses from Respondent
		<p>scope includes marketing of related company’s CIS and they have not been appointed to provide financial advisory service of marketing of any CIS under the FAA prior to 8 October 2018.</p> <p><u>Transitional arrangement for implementation of revised CMFAS examination</u> With regards to the target implementation timeline set out in Paragraphs 3.4 and 3.5 of the Consultation Paper, it is set out that on “T-date” IBF and SCI will commence offering the revised CMFAS exam modules and cease the current offering. IMAS seeks clarification on whether individuals who fail to pass the current CMFAS exam modules by “T-1” date will have to retake the relevant exam modules in the revised format with strictly no exceptions.</p> <p><u>Others</u> The Financial Advisers Regulations states in Paragraph 27(1)(e), that “a person who provides all or any type of financial advisory service to an institutional investor” is exempted from the requirement to hold financial adviser’s license. IMAS would like to enquire whether MAS will consider including similar exemption under the SFA for individuals marketing related company’s CIS to institutional investors.</p> <p>Under footnote 3 of para 8.9 of the Revised SFA Notice, it states that “For the avoidance of doubt, a representative who is appointed under both the SFA and the FAA for the same principal, must fulfil the higher of the CPD requirements set out under paragraph 8.4 of this Notice or paragraph 5.3 of [New FAA Notice No.]”. We would like to seek MAS’ confirmation that representatives of LFCMs who do not deal directly with Retail Investors, will not be required to be subjected to the CPD requirement under the FAA Notice if the LFCMs are Exempt Financial Advisers and if so, MAS may wish to make this intent clearer in the footnote.</p>
8	Mizuho Bank, Ltd.	<p>Question 1: MAS seeks comments on the revised FAA Notice (Annex A).</p> <p>The following request for clarification is in respect of both the revised FAA Notice and revised SFA Notice.</p> <p><u>Validity of current CMFAS Examination certificate</u></p> <p>(a) We wish to clarify with MAS if there is a validity period for a current CMFAS Examination certificate which the bank may rely upon (as evidence of a staff’s meeting of examination requirements) for registration of the staff as an appointed representative of the bank under the SFA/FAA.</p> <p>(b) We illustrate our clarification above with the following example:</p> <ul style="list-style-type: none"> (i) After T-date (as defined in paragraph 3.4 of the CP), the bank has an intention to register a staff as an appointed representative of the bank under the SFA/FAA. (ii) The bank commences its internal processes and checks to ensure the eligibility of the staff for appointment as a representative of the bank. (iii) In respect of the meeting of CMFAS Examination requirements, the bank refers to the staff’s current CMFAS certificate (e.g. M6A certificate which shows a passing date prior to T-date).



S/N	Respondent	Responses from Respondent
		<p>(c) We seek MAS’ clarification if there is a validity period (“Validity Period”) of a current CMFAS Examination certificate (i.e. issued prior to T-date) for the purpose of registering a staff as an appointed representative of the bank under the SFA/FAA (after T-date).</p> <p>We highlight that internal checks required to ensure the eligibility of a staff for appointment as a bank representative, including employment reference checks and Credit Bureau checks may take up to 3 months to complete. In this regard, we kindly request that MAS take such time requirements into consideration in determining the Validity Period (if any) of a current CMFAS Examination certificate.</p> <p>(d) Further to the above, we wish to also clarify if the Validity Period (if any) of a current CMFAS Examination certificate will differ between a “Rules & Regulations” examination module (e.g. M1B) and a “Product Knowledge” examination module (e.g. M6A).</p> <p>Question 2: MAS seeks comments on the revised SFA Notice (Annex B).</p> <p><u>Exemption from minimum examination requirements</u></p> <p>(a) We wish to seek MAS’ clarification on the phrase “whose principal manages funds” in the context of the following paragraphs in the draft revised SFA Notice:</p> <ul style="list-style-type: none"> (i) Paragraph 5.3.1(b)(i) and (ii) – Dealing in capital market products that are securities; (ii) Paragraph 5.5.1 (a) and (b) – Dealing in capital market products that are exchange traded derivative contracts, and (iii) Paragraph 5.6.1(a) and (b) – Dealing in capital market products that are over-the-counter derivatives contracts. <p>(b) In particular, we wish to clarify our understanding that based on the above, an appointed representative of the bank is not required to meet the minimum examination requirements if:</p> <ul style="list-style-type: none"> (i) the appointed representative of the bank (i.e. as principal of the appointed representative) deals in any of the above capital market products with customers of the bank; and (ii) such customers of the bank qualify as accredited investors and/or institutional Investors under the SFA.
9	Professional Investment Advisory Services Pte Ltd	<p>Question 1: MAS seeks comments on the revised FAA Notice (Annex A).</p> <ol style="list-style-type: none"> 1) Is M6 equivalent to CM-EIP and M6A equivalent to CM-SIP? If an applicant who wants to apply for ‘Capital Markets – Specified Investment Products – Derivatives and Collective Investment Schemes’ has attained M6 before the T-date, does he/she need to take CM-SIP in order to qualify for the Securities licence or does he/she need to take CM-CMP (EIP + SIP) to qualify? 2) Since M8 and M8A are still available after the T-date, can the candidate take the M8 and M8A separately after the T-date or they must take the combined CM-CIS (M8 + M8A)? 3) After the T-date, the individual modules of M9, M9A, M8 and M8A are still available, can the candidate choose either of the exam path (table shown below) to attain, for



S/N	Respondent	Responses from Respondent								
		<p>example, Life Insurance, Investment-linked Policies and Collective Investment Schemes to obtain the licence?</p> <p>In the case of obtaining Life Insurance, Investment-linked Policies and Collective Investment Schemes, can the FI:</p> <table border="1"> <thead> <tr> <th></th> <th>Module</th> </tr> </thead> <tbody> <tr> <td>Choose Either</td> <td>M9, M9A, M8, M8A (individual modules)</td> </tr> <tr> <td>OR</td> <td>CM-LIP and CM-CIS</td> </tr> <tr> <td>OR</td> <td>CM-LIC</td> </tr> </tbody> </table>		Module	Choose Either	M9, M9A, M8, M8A (individual modules)	OR	CM-LIP and CM-CIS	OR	CM-LIC
	Module									
Choose Either	M9, M9A, M8, M8A (individual modules)									
OR	CM-LIP and CM-CIS									
OR	CM-LIC									
		<p>Question 2: MAS seeks comments on the revised SFA Notice (Annex B).</p> <p>Nil.</p>								
10	Schroder Investment Management (Singapore) Ltd	<p>Question 1: MAS seeks comments on the revised FAA Notice (Annex A).</p> <ul style="list-style-type: none"> Under para 4.7(b) of the draft FAA Notice, marketing representatives of a fund management company will not be required to pass RES5 if the provision of financial advisory services is limited to advising others concerning capital market products by providing customised information on investment fund products which the principal manages. <ul style="list-style-type: none"> a) We would like to seek clarification from MAS if these individuals are still required to pass the product knowledge modules M8, M8A or CM-CIS (subject to the relevant exemptions), or whether these individuals, as FM licensed reps, are only required to take RES3 and CM-EIP instead. b) Under the current Exam Notice, individuals are required to take M8A if they market Collective Investment Schemes (“CIS”) that are SIPs to Retail Investors. With respect to the question in (a), if the marketing representatives of a FMC are only required to take RES3 and CM-EIP, we would like to seek clarification if these individuals will be allowed to market CIS that are SIPs to Retail Investors. c) Given that the above relates to marketing representatives of a fund management company who are regulated and licensed under the SFA (rather than FAA), we would like to suggest that the above guidance be included in the SFA Exam Notice for clarity and completeness. 								
		<p>Question 2: MAS seeks comments on the revised SFA Notice (Annex B).</p> <ul style="list-style-type: none"> We note that under para 6.2 of the SFA Exam Notice that there is a validity period for a deemed pass in the product knowledge modules. We would like to clarify if there is also a validity period for an actual pass. 								



S/N	Respondent	Responses from Respondent
		<ul style="list-style-type: none"> Under the new Notice, the product knowledge modules have been renamed however the new Notice continues to reference the old names under the new requirements for e.g. M6 instead of CM-EIP, we would like to suggest MAS to use the new names in the new Notice consistently for clarity's sake. We would like to seek clarification from MAS if the current FAQs still apply with the issuance of the new Exam Notice, in particular Q7 of the FAQs – FM reps who are involved in the sales and marketing of retail funds only to AI/II, which includes distributors who are IIs, are exempted from CMFAS exams and CPD requirements. Under para 9.3(a) of the draft SFA Exam Notice, CPD requirements in para 8 does not apply to an appointed representative who “serves” only accredited investors and/or institutional investors (“AI/II”). We would like to clarify for FMCs which manages retail funds but do not distribute directly to the retail investors (i.e. the funds are marketed to distributors who are IIs who in turn distribute the funds to retail investors), does the scope of appointed representatives who “serves” only AI/II include the (i) fund managers who manage a fund that is offered to retail investor through distributors, and (ii) dealers who execute trades for a fund that is offered to retail investors through distributors, given that they do not serve the end retail investors directly?
11	Securities Association of Singapore	<p>Question 1: MAS seeks comments on the revised FAA Notice (Annex A).</p> <p>1) The FAA Notice para 4.4 states that “...may pass the relevant combined product knowledge module in lieu of any or all of the relevant single product knowledge modules, in order to meet the CMFAS Exam requirements stipulated in paragraph 4.3(b)”.</p> <p>The transitional arrangements provided in para 3.4 of the Consultation Paper (P006-2020) state “...On T-date, IBF and SCI will cease to offer the existing CMFAS Examination and will only offer the revised CMFAS Examination. Individuals who are currently studying for the CMFAS Examination and who intend to take the current CMFAS Examination have until T-1 date to do so.”.</p> <p>Members wish to seek MAS clarification that, after the introduction of the revised/combined modules, the existing single product knowledge modules like M8, M8A, M9 and M9A would still continue to be offered after T-date, given the differences noted from Table 1 (CM-EIP, CM-SIP, M8 and M8A) and Table 2 (M8 and M8A, or CM-CIS).</p> <p>2) With regard to the applicable exemption conditions to CMFAS listed in the Annex, please clarify whether the exemptions applicable to the single product knowledge will equally apply to the new combined product knowledge modules.</p> <p>Question 2: MAS seeks comments on the revised SFA Notice (Annex B).</p> <p>1) Reference is made to Table 1 in the Consultation Paper (the “CP”) which sets out the revised product knowledge modules for different products.</p>



S/N	Respondent	Responses from Respondent
		<p>Members understand the modules M8 and M8A are product knowledge modules for Collective Investment Schemes (“CIS”).</p> <p>However, members noted the different product knowledge modules required for advising and dealing in CIS under the two revised Notices:</p> <ul style="list-style-type: none"> • For advising on units in CIS that are EIPs and SIPs, M8 and M8A, or CM-CIS; and • For dealing in CIS that are EIPs and SIPs, M6 and M6A, or CM-CMP. <p>In this regard, they suggested that MAS should harmonise the different requirements for the product knowledge modules under the two revised Notices (i.e. for one to advise or deal in CIS, the product knowledge modules will be M8 and/or M8A, or CM-CIS).</p> <p>2) MAS clarification would be helpful on whether M6 and M6A will be replaced by CM-EIP and CM-SIP respectively, as the various tables in Annex B continue to make reference to M6 and M6A.</p>
12	United Overseas Bank	<p>Question 1: MAS seeks comments on the revised FAA Notice (Annex A).</p> <ol style="list-style-type: none"> 1. Paragraph 1.1 states that “The earlier Notice (FAA-N13) issued on 26 November 2016 and last amended on 5 October 2018 (“Cancelled Notice”) ...”. We note that this notice was last revised on 8 April 2020 instead of 5 October 2018. 2. With reference to table 1 of para 4.3, we would like to clarify the following: <ol style="list-style-type: none"> a. In FAA N13, Units in CIS were categorised into “not listed on an exchange” and “listed on an exchange”. <ul style="list-style-type: none"> ○ For units in CIS that were not listed on an exchange, the individual will need to take 3 CMFAS papers (M5, M8, M8A); ○ For units in CIS that were listed on an exchange, the individual will need to take 3 CMFAS papers (M5, M6, M6A) <p>In this revised FAA Notice, we like to confirm if the intent is not to have any segregation of units in CIS that are not listed on an exchange / listed on an exchange, hence the individual will need to take 5 CMFAS papers (RES5, CM-EIP, CM-SIP, M8, M8A)</p> <ol style="list-style-type: none"> b. With reference to footnote 3 “For individuals who will be advising in both securities and/or units in CIS need not take M8 or M8A, if they have taken CM-EIP or CM-SIP, respectively.”, the term “and/or” is used. <p>If the individual is providing advisory in units in CIS alone, individual will need to take 5 CMFAS papers, however with reference to footnote 3, the individual does not need to take M8 or M8A if he has taken CM-EIP or CM-SIP, this is somewhat conflicting with the table set out in (a)(i) as the individual can be lodged as providing advisory in securities and will only need to take 3 CMFAS papers</p> <p>We would also like to clarify if the intent behind footnote 3 means that if an individual has taken CM-EIP or CM-SIP (example if they are deemed as ‘higher footing’), he does not need to take M8 or M8A BUT if the individual has taken M8 or M8A (if deemed as ‘lower footing’), then he will need to take additional CM-EIP or CM-SIP as well.</p>



S/N	Respondent	Responses from Respondent																										
		<p>We would like to request for further clarity in terms of footnote 3 as this could impact the number of CMFAS papers that an individual has to take.</p> <p>If the above is not the case, we seek MAS' advice if the intent is for an individual who advises in CIS to take either M8 or CM-EIP (if he/she advises on EIP) and either M8A or CM-SIP (if he/she advises on SIP) i.e. the intent is not for such individuals to take M8 and CM-EIP (if he/she advises on EIP) and M8A and CM-SIP (if he/she advises on SIP). If so, we are of the view the table should reflect accordingly instead of a tick for each of these 4 modules which appears to show that an individual who advises others concerning units in CIS needs to take 5 modules (i.e. RES5, CM-EIP, M8, CM-SIP and M8A.)</p> <p>Example:</p> <table border="1"> <thead> <tr> <th rowspan="4">Type of Financial Advisory Service</th> <th colspan="5">CMFAS Exam Module</th> </tr> <tr> <th rowspan="2">RES</th> <th colspan="4">Product Knowledge</th> </tr> <tr> <th colspan="2">Excluded Investment Products ("EIPs")</th> <th colspan="2">Specified Investment Products ("SIPs")</th> </tr> <tr> <th>RES5</th> <th>CM-EIP</th> <th>M8</th> <th>CM-SIP</th> <th>M8A</th> </tr> </thead> <tbody> <tr> <td>Advising others concerning units in CIS</td> <td>✓</td> <td colspan="2">Either CM-EIP or M8</td> <td colspan="2">Either CM-SIP or M8A</td> </tr> </tbody> </table> <p><u>Request for MAS to consider exempting sales reps selling non-complex insurance products</u> The expansion of the scope to cover the ethics and skills required for each of the modules provides useful additional guidance to representatives to improve their competency and the ethical guidelines to operate within. We hope that the contents in the modules can be applicable for representatives who engage customers via various channels, like in-person, or through the phone. We are of the opinion that the revised scope will provide a more comprehensive scope of the knowledge to help representatives perform their roles more effectively.</p> <p>In addition, we would like to seek for your considerations to exempt competency requirements for representatives selling non-complex insurance products. An example of such products is CreditSure – this provides protection for outstanding balances on credit card and CashPlus accounts in the event of death, terminal illnesses and total and permanent disability of the main card holder. The coverage is straightforward, where for a premium of \$0.55 for coverage of every \$100 of monthly outstanding statement balances, CreditSure will clear off the outstanding repayment liability of the covered amount.</p> <p><u>Effective date of Notices</u> We note in the CP that the intent is for the Revised Notices to take effect in Q1 2021. However, it is not clear when the Revised Notices will be issued. We appreciate that MAS provide Financial Institutions sufficient time to implement the changes i.e. Grace period be provided following issuance of the Notices.</p> <p>Question 2: MAS seeks comments on the revised SFA Notice (Annex B).</p>	Type of Financial Advisory Service	CMFAS Exam Module					RES	Product Knowledge				Excluded Investment Products ("EIPs")		Specified Investment Products ("SIPs")		RES5	CM-EIP	M8	CM-SIP	M8A	Advising others concerning units in CIS	✓	Either CM-EIP or M8		Either CM-SIP or M8A	
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S/N	Respondent	Responses from Respondent
		<ol style="list-style-type: none">Pls see point 3 in question 1.Paragraph 1.2 states that “The earlier Notice (SFA 04-N09) issued on 11 August 2010 and last revised on 5 October 2018 (“Cancelled Notice”)...”. We note that this notice was last revised on 8 April 2020 instead of 5 October 2018.Unlike paragraphs on other regulated activities (e.g. Paragraph 5.4.2 and 5.4.3) which provided that reps would be treated as having satisfied the CMFAS Exam Requirements stipulated in paragraph 4.3 if the reps fulfilled the 2018 SFA Exam Notice, we note that there is no such provision in Paragraph 5.3 Dealing in capital markets products that are securities.
13	VP Bank Ltd	<p>Question 1: MAS seeks comments on the revised FAA Notice (Annex A).</p> <p>Nil.</p> <p>Question 2: MAS seeks comments on the revised SFA Notice (Annex B).</p> <p>We refer to Paragraph 5.11 of the revised SFA Notice on Transitional arrangements for the removal of the exemption for specialised units serving high net worth individuals under section 100(2) of the FAA. Currently, appointed representatives of private banks serving only accredited investors (“AIs”) and institutional investors (“IIs”) but do not possess the section 100(2) exemption, are required to pass the relevant CMFAS examination based on the SFA regulated activity(ies) they wish to conduct.</p> <p>With the removal of the section 100(2) exemption and the adoption of the AI opt-in regime, we wish to clarify whether the same CMFAS examination exemption accorded to private banks with section 100(2) exemption on and after 8 January 2021, will be likewise accorded to private banking representatives who serve only AIs and IIs but such private banks do not previously have obtained the section 100(2) exemption. Such representatives of private banks would have also passed the CACS and are dealing with clients who are more sophisticated.</p>