



Capital Markets & Financial Advisory Services examination

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In line with the introduction of a new licensing framework under the Securities and Futures Act (SFA) and Financial Advisers Act (FAA), the MAS has launched a new modular examination structure, known as the Capital Markets and Financial Advisory Services Examination (CMFAS Exam).

The CMFAS Exam comprises the following Modules:

Rules & Regulations

- Module 1A Rules and Regulations for Dealing in Securities (SGX-ST Members)
- Module 1B Rules and Regulations for Dealing in Securities (Non-SGX-ST Members)
- Module 2A Rules and Regulations for Trading in Futures Contracts (for members of the Singapore Exchange Derivatives Trading Limited ("SGX-DT"))
- Module 2B Rules and Regulations for Trading in Futures Contracts (for members of the Singapore Mercantile Exchange ("SMX"))
- Module 3 Rules and Regulations for Fund Management
- Module 4A Rules and Regulations for Advising on Corporate Finance
- Module 4B Rules and Regulations for Advising on Corporate Finance (Solely Debt Securities)
- Module 5 Rules and Regulations for Financial Advisory Services
- Module 10 Rules and Regulations for REIT Management, with Product Knowledge and Analysis

Product Knowledge & Analysis

- Module 6 Securities Products and Analysis
- Module 7 Futures Products and Analysis
- Module 8 Collective Investment Schemes
- Module 9 Life Insurance and Investment-linked Policies

The Institute of Banking & Finance (IBF) will administer Modules 1A, 1B, 2A, 2B, 3, 4A, 4B, 6, 7 and 10.

The Singapore College of Insurance (SCI) will administer Modules 5, 8 and 9.

The syllabus of each Module is listed in the Appendix.

For more information on Modules 1A, 1B, 2A, 2B, 3, 4A, 4B, 6, 7 and 10, please visit IBF website at www.ibf.org.sg or contact IBF at 6220 8566.

For more information on Modules 5, 8 and 9, please visit SCI website at www.scicollege.org.sg or contact SCI at 6221 2336.

Objectives of CMFAS

To test candidates on their knowledge and understanding of:

- * the regulatory framework including the laws and regulations and associated codes, notices, practice notes and guidelines governing the capital markets and life insurance intermediaries
- * the product characteristics as well as the tools and techniques to analyse the products

Candidates who pass the examinations are eligible to apply to the MAS for a representative's licence under the Securities and Futures Act or the Financial Advisers Act. Such application is subject to the approval of the MAS.

Which Module to Enrol

Unless otherwise exempted, candidates applying for a representative's licence in each regulated activity must attempt the relevant modules. The requirements are summarised as follows:

TYPES OF ACTIVITIES	MODULES												
	Rules & Regulations										Product Knowledge & Analysis		
	1A	1B	2A	2B	3	4A	4B	5	10	6	7	8	9
Regulated Activities Under SFA													
Dealing in Securities (SGX-ST Members)	X									X			
Dealing in Securities (Non-SGX-ST Members)	X Either Modules									X			
Trading in Futures Contracts - SGX-DT members			X								X		
Trading in Futures Contracts - SMX members				X							X		
Trading in Futures Contracts - Non SGX-DT and Non SMX members			X Either Module								X		
Fund Management - solely securities funds					X					X			
Fund Management - solely futures funds					X						X		
Fund Management - both securities and futures funds					X					X			
REIT Management									X				
Advising on Corporate Finance						X							
Advising on Corporate Finance - solely debt securities							X						
Leveraged Foreign Exchange Trading	X Any of these Modules									X Either Module			
Regulated Activities Under FAA													
Advising others concerning securities (excluding collective investment schemes)										X			
Advising others concerning futures											X		
Advising on and/or arranging life insurance policies (whether or not include Investment-linked life policies)								X					X
Advising on and/or marketing of collective investment schemes												X	

Candidates with the following qualifications or experience are exempted from the requirement to take the product knowledge modules as specified below:

Module 6

1. Degree or higher qualification with emphasis on accountancy, actuarial science, business/business administration/business management/business studies, capital markets, commerce, economics, finance, financial engineering, financial planning and computational finance;
2. Trading Representatives' Examination Paper II [previously conducted by the Institute of Banking and Finance ("IBF")];
3. Investment Representatives' Examination Paper II (previously conducted by IBF);
4. Diploma in Investment (previously conducted by IBF);
5. Diploma in Investment Analysis (previously conducted by the Singapore Securities Research Institute);
6. Diploma in Investment conducted by The Singapore Human Resources Institute ["SHRI"];
7. Diploma in Banking and Finance (previously conducted by IBF);
8. Diploma in Banking and Finance conducted by SHRI;
9. Diploma In Financial Planning from IBF/Singapore College of Insurance ["SCI"];
10. Diploma in Financial Planning from the Financial Planning Association of Australia;
11. Diploma in banking, finance, accountancy, business or business administration from all polytechnics in Singapore;
12. Diploma in Business Administration from University of Singapore;
13. Graduate Diploma in Financial Management from Singapore Institute of Management ["SIM"];
14. Royal Melbourne Institute of Technology University's Diploma of Financial Services conducted by SIM;
15. Professional or Applied Diploma in Banking or Financial Services from the ifs School of Finance, UK;
16. Skills Certificate - Investment (previously awarded by IBF);
17. Skills Certificate - Investment awarded by SHRI;
18. Certificate in Private Banking awarded by Wealth Management Institute Pte Ltd, Singapore;
19. Certificate in Financial Needs Analysis & Plan Construction awarded by Singapore College of Insurance, Singapore;
20. Chartered Financial Analyst Level 1 Examination conducted by the Association for Investment Management & Research, USA;
21. Associate Financial Consultant awarded by Insurance and Financial Practitioners Association of Singapore (previously known as Life Underwriters Association of Singapore);
22. Associate Financial Planner or Associate Wealth Planner awarded by the Financial Planning Association of Singapore;
23. Series 6 or Series 7 of the National Association of Securities Dealers, USA;
24. Investment Management Certificate of the UK Society of Investment Professionals (previously known as UK Institute of Investment Management & Research Examinations);

study guides

Candidates registering for the various Modules **for the first time** will receive a Study Guide to assist them in their preparation for the examination.

25. Chartered Life Underwriter by the American College, USA; or Chartered Life Underwriter Singapore by the SCI;
26. Chartered Financial Consultant by the American College, USA; or Chartered Financial Consultant Singapore by SCI;
27. Certified Financial Planner by the Certified Financial Planners Board of Standards;
28. Certificate in Securities, Derivatives or Securities and Financial Derivatives by the Securities & Investment Institute, recognised by the UK Financial Services Skills Council and Financial Services Authority (formerly known as the Registered Persons Examination by the Financial Services Authority, UK)¹;
29. The Association of Chartered Certified Accountants (ACCA) Qualifications;
30. The Chartered Accountant (ACA) Qualifications;
31. Associate/Fellow of the Institute of Actuaries, England;
32. Associate/Fellow of the Faculty of Actuaries, Scotland;
33. Associate/Fellow of the Society of Actuaries, USA;
34. Associate/Fellow of the Institute of Actuaries of Australia;
35. Associate/Fellow of the Casualty Actuarial Society, USA;
36. Associate Member of CPA Australia²;
37. Module 1 of the Investor Contact Competency Examination (ICCE Module 1), administered by the Securities and Exchange Commission, Thailand³;
38. Three years' relevant and continuous working experience in respect of the regulated activity to be conducted provided there is no break-in-service of more than three years between the specific representative's last working experience in the regulated activity and the date of his licence application or entry into the industry, as the case may be. However, this does not apply to persons who fall within paragraph 7(a)(ii) of this Notice.

[SFA 04-09 2010]

Module 7

1. Degree in finance-related disciplines with at least 50% coverage on futures and derivatives products;
2. Futures Trading Test (previously conducted by IBF);
3. Futures Examination Paper II (previously conducted by IBF between January 1994 to December 1996);
4. Futures Examination Paper III (previously conducted by IBF between January 1997 to 30 November 2002);
5. Series 3 of the National Association of Securities Dealers, USA;
6. Futures and Options Representative's Examination conducted by the Securities & Futures Authority Ltd, UK;
7. Certificate in Derivatives by the Securities & Investment Institute, recognised by the UK Financial Services Skills Council and Financial Services Authority⁴;
8. Diploma in Investment (previously conducted by IBF between October 1998 and December 2001);
9. Diploma In Investment conducted by SHRI;
10. Certified Financial Planner by the Certified Financial Planners Board of Standards, USA;
11. Chartered Financial Analyst Level 1 Examination conducted by the Association for Investment Management & Research, USA;
12. Chartered Financial Consultant by the American College, USA; or Chartered Financial Consultant Singapore by SCI;
13. Advanced Certification in Investment conducted by the Nanyang Polytechnic;
14. Three years' relevant and continuous working experience in respect of the regulated activity to be conducted provided there is no break-in-service of more than three years between the specific representative's last working experience in the regulated activity and the date of his licence application or entry into the industry, as the case may be. However, this does not apply to persons who fall within paragraph 7(a)(ii) of this Notice.

[SFA 04-09 2010]

- 1 Persons who possess the qualification of the Registered Persons Examination by the Financial Services Authority, UK, by no later than 1 December 2001, shall be deemed to possess the qualification of the Certificate in Securities, Derivatives or Securities and Financial Derivatives by the Securities & Investment Institute, recognised by the UK Financial Services Skills Council and Financial Services Authority, for the purposes of Annex 1 of this Notice.
- 2 Qualification attained by membership is recognised.
- 3 Person has to be licensed by the Securities and Exchange Commission of Thailand and needs to submit documentary evidence to his proposed principal certifying his licence or authorization status in Thailand.
- 4 Persons who possess the qualification of a Level 3 Certificate in Investments (Derivatives) by the Securities & Investment Institute, recognised by the UK Financial Services Skills Council and Financial Services Authority, by no later than 1 November 2004, shall be deemed to possess the qualification of a Certificate in Derivatives by the Securities & Investment Institute, recognised by the UK Financial Services Skills Council and Financial Services Authority, for the purposes of Annex 2 of this Notice.

Capital Markets & Financial Advisory Services examination

Duration of the examination in respect of each Module is as follows:

Module	No of Questions	Time (Hr)
1A Rules and Regulations for Dealing in Securities (SGX-ST Members)	100	2
1B Rules and Regulations for Dealing in Securities (Non-SGX-ST Members)	50	1
2A Rules and Regulations for Trading in Futures Contracts (for members of the Singapore Exchange Derivatives Trading Limited ("SGX-DT"))	100	2
2B Rules and Regulations for Trading in Futures Contracts (for members of the Singapore Mercantile Exchange ("SMX"))	100	2
3 Rules and Regulations for Fund Management	100	2
4A Rules and Regulations for Advising on Corporate Finance	50	1¼
4B Rules and Regulations for Advising on Corporate Finance – Solely Debt Securities	50	1¼
5 Rules and Regulations for Financial Advisory Services	100	2
6 Securities Products and Analysis	100	2
7 Futures Products and Analysis	100	2
8 Collective Investment Schemes	50	1¼
9 Life Insurance and Investment-Linked Policies	125	2½
10 Rules and Regulations for REIT Management, with Product Knowledge and Analysis	100	2

The minimum pass mark for Rules and Regulations Module is 75% and for Product Knowledge and Analysis Module it is 70%.

Candidates will be issued their result slips at the end of the examinations. Candidates applying for a representative's licence under the Securities and Futures Act/Financial Advisers Act must submit a copy of the result slip together with their licence's application forms to:

Type of Application	Relevant Department in MAS
Application under the Securities and Futures Act	Capital Markets Intermediaries
Application under the Financial Advisers Act	Financial Advisers & Insurance Intermediaries

Where to Enrol

Candidates enrolling for Modules 1A, 1B, 2A, 2B, 3, 4A, 4B, 6, 7 and 10 are required to register directly with The Institute of Banking & Finance (IBF).

Candidates enrolling for Modules 5, 8 & 9 with the Singapore College of Insurance (SCI), please observe the following:

- Candidates who represent BOTH Life and General Insurance Companies MUST register via their Life Insurance Company. Please check with your respective Agency Training Department of the Life Insurance Company for details.
- Candidates who represent Banks/Securities Houses MUST register via their Training/Insurance Department. Please check with your respective Training/Insurance Department for details.
- Candidates who represent ONLY General Insurance Companies CAN register via any of their principals. Please check with any one of them for details.
- Candidates who represent the LIA-registered broking firms MUST register via their broking firms. Please check with the respective broking firm for details.
- Candidates who do not belong to any Company, please contact SCI's Examination Department for registration details, Tel: 6221 2336.

Examination Venue

Examinations for Modules 1A, 1B, 2A, 2B, 3, 4A, 4B, 6, 7 and 10 will be held at
The Institute of Banking & Finance
10 Shenton Way
#13-07/08 MAS Building
Singapore 079117

Examinations for Modules 5, 8 and 9 will be held at
Singapore College of Insurance
9 Temasek Boulevard
Suntec Tower 2
#14-01/02/03
Singapore 038989

Examination Fee (for each module)

	Module 1 to 9	Module 10
First Attempt (SCI/IBF member)	\$100 + GST	\$200 + GST
(Non-member)	\$120 + GST	\$240 + GST
Fee paid for the first attempt is inclusive of a Study Guide.		
Subsequent Attempts (SCI/IBF member)	\$ 80 + GST	\$160 + GST
(Non-member)	\$100 + GST	\$200 + GST

All fees paid are non-refundable and non-transferable. The fees may be revised without notice.

MAS Notices Under SFA/FAA

For more details on the examination requirements, please refer to the notices issued by the MAS at www.mas.gov.sg

Enquiries on Examination Administrative Matters

For Modules 1A, 1B, 2A, 2B, 3, 4A, 4B, 6, 7 or 10, please contact IBF at 6220 8566 or cmfas@ibf.org.sg
For Modules 5, 8 or 9, please contact SCI at 6221 2336 or talk2us@scidomain.org.sg

module **1** Rules and Regulations for Dealing in Securities (SGX-ST Members)

administered by **IBF**

- A The Regulatory Bodies**
 - The Monetary Authority of Singapore
 - Singapore Exchange Ltd & Singapore Exchange Securities Trading Ltd (SGX-ST)
 - The Central Depository (Pte) Ltd
- B The Regulations**
 - Securities & Futures(SF) Act and SF Regulations
 - SGX-ST Rules and Bye-laws
 - CDP Clearing Rules
- C Dealing Mechanics**
 - Stocks traded on the Exchange
 - Trading on CLOB
 - Operation of SESOPS terminal
 - Trading via the Exchange Link
- D Settlement Procedures**
 - Due dates and settlement
 - Mode of settlement
 - SGX-SPV
- E Conduct of Business**
 - Account opening requirements
 - Time stamping requirements
 - Issue of contract notes and statement of account to client
- F Market Conduct**
 - Payment to clients
 - Operation of stock account and suspense account
 - Handling of customers' assets
 - Certain persons to disclose certain interest
 - Register of Interest in Securities
 - Recommendations by certain persons
 - Priority to customers' orders
 - Trading standards
 - Trading by employees
 - Code of Conduct for Dealing in Securities
 - Core Trading Rules
 - Securities hawking prohibited
- G CPF Investment Scheme**
 - General information of the Scheme
 - Amount an investor can use
 - Approved investments
 - Operations and charges
- H Single Stock Futures (SSF) Contracts**
 - Operation of SSF on SESOPS terminal
 - Execution of SSF on SESOPS terminal
 - Position limit and margin requirement
 - Best Practices
 - Error trade policy and procedures
 - SGX ETS SCC
 - Busting of trades
 - Offences under SGX-DT Rules and SFA/SFR
- I Guidelines on Prevention of Money Laundering**
 - Key legal obligations
 - Basic principles and policies to combat money laundering
 - Know your customer
 - Compliance with laws
 - Cooperation with law enforcement agencies
 - Policies, procedures and training

module **1** Rules and Regulations for Dealing in Securities (Non-SGX-ST Members)

administered by **IBF**

- A The Regulatory Bodies**
 - The Monetary Authority of Singapore
 - Singapore Exchange Ltd & Singapore Exchange Securities Trading Ltd (SGX-ST)
 - The Central Depository (Pte) Ltd
- B Conduct of Business**
 - Handling of customers' assets
 - Handling of trust account
 - Lending on customer's securities
 - Issue of contract notes
 - Statement of Accounts
 - Priority to customers' orders
 - Registration of Securities
 - Trading practices and conduct
- C Market Conduct**
 - False trading and market rigging transactions
 - Securities market manipulation
 - False or misleading statements, etc
 - Fraudulently inducing persons to deal in securities
 - Employment of manipulative and deceptive devices
 - Dissemination of information about illegal transactions
 - Continuous disclosure
 - Insider trading
- D CPF Investment Scheme**
 - General information of the Scheme
 - Amount an investor can use
 - Approved investments
 - Operations and charges
- E Guidelines on Prevention of Money Laundering**
 - Key legal obligations
 - Basic principles and policies to combat money laundering
 - Know your customer
 - Compliance with laws
 - Cooperation with law enforcement agencies
 - Policies, procedures and training

module **2** Rules and Regulations for Trading in Futures Contracts(for members of the Singapore Exchange Derivatives Trading Limited ("SGX-DT"))

administered by **IBF**

- A The Regulatory Bodies and the Regulations**
 - The Monetary Authority of Singapore
 - Singapore Exchange Derivatives Trading Ltd (SGX-DT)
 - Singapore Exchange Derivatives Clearing Ltd (SGX-DC)
 - SGX Regulation Of The Securities And Futures Market
 - MAS-SGX Regulatory Relationship
- B The Trading System**
 - Types of Futures and Options
 - Contracts Traded on The Exchange
 - SGX-DT Contract Specifications
 - Features of SGX-DT Trading Systems
 - Settlement Prices, Opening And Closing Range
 - Mutual Offset System
 - Error Trade Busting Policy And Procedure For SGX QUEST Trades
- C Clearing & Settlement Procedures**
 - SGX Derivatives Clearing Ltd
 - Novation
 - Clearing Of Trades
 - Ex-Pit Trades
 - SGX Trade Allocation And Registration System (STAR)
 - Trade Registration
 - Status Codes
 - Give-Up Trade (GUT) System
 - Mutual Offset System (MOS)
 - Trade Management System (TMS)
 - Local Trade Matching Process
 - Clearing Operations And Risk Evaluation System (CORE)
 - Member Submission Sub-system
 - Position Adjustments
 - Option Exercise/Do-not-exercise
 - Inter-exchange (IE) Trade Reconciliation Cycles
 - Trade And Clearing Reports
- D Regulatory Requirements Relating To Business Operations**
 - Position Change Sheet (PCS) Reporting
 - Final Long Positions
 - Intra- and Inter-Commodity Spreads
 - Margining
 - Types Of Margins
 - Gross Margining System
 - Standard Portfolio Analysis Of Risk
 - Acceptable Margin Collateral Delivery
- D Regulatory Requirements Relating To Business Operations**
 - SGX-DT Regulatory Supervision Framework
 - Arbitration and Hearing Procedures
 - SGX-DT Compensation Fund
 - Conduct of Business Requirements under the SGX-DT Rules
 - Margins of Customer
 - Customers' Protection

module **2** **Rules and Regulations for Trading in Futures Contracts (for members of the Singapore Exchange Derivatives Trading Limited (“SGX-DT”))**

administered by **IBF**
con’t

- A** Record keeping requirements under the SFA and SFR(LCB)
- Customer Assets Requirements under SFA and SFR(LCB)
- Conduct of Business Requirements under the SFA and SFR(LCB)
- E Regulatory Requirements Relating To Market Conduct & Trading**
 - Introduction
 - Market Misconduct under the SFA
 - Market Misconduct under SGX-ST Rules
- Penalties for Market Misconduct under the SFA
- Penalties for Market Misconduct under SGX-DT Rules
- Trading Related Acts/Regulations/ Rules
- Trading Related Acts/Regulations under SFA/SFR(LCB)
- Trading Related Rules under SGX-ST Rules
- The Disciplinary Process
- F Prevention of Money Laundering**
 - Introduction to Prevention of Money Laundering
 - Summary of the Key Provisions of the CDSA
 - MAS Notice on Prevention of Money Laundering
 - Customer Identification
 - Record Keeping
 - Reporting Suspicious Transactions
 - Compliance and Training

module **2** **Rules and Regulations for Trading in Futures Contracts (for members of the Singapore Mercantile Exchange (“SMX”))**

administered by **IBF**

- A The Regulatory Bodies and Regulations**
 - Monetary Authority of Singapore
 - SMX Overview
 - The Role of SMX
 - The Role of SMXCC
 - Regulation Of Commodity Derivatives Markets By SMX/SMXCC
- B Requirements for Members and Nominated Representatives**
 - Introduction
 - SMX Membership
 - Broker Member (BM)
 - Remote Member (RM)
 - Trade Member (TM)
 - SMXCC (Clearing) Membership
 - General Clearing Member (GCM)
 - Special Clearing Member (SCM)
 - SMXCC Membership Structure
 - Appointment of Nominated Representatives
 - Authorised Users
- C SMX Products**
 - Introduction
 - Standardisation of SMX Futures Contracts
 - Contract Details
 - Delivery Details
 - Delivery Logic
 - Base Price
 - Life of a Futures Contract
 - Expiration Date
 - Registering an EFP and/or an EFS Transaction
 - Nature of the Transaction
 - Relationship of Instruments
 - Relationship of the Parties to the Transaction
 - Price of the Transaction
 - Restrictions during the Delivery Period
 - Documents required at the Time of Registering EFP and EFS Transactions
 - Documents Required to be Maintained by Members in Support of EFP/EFS Transactions
 - Procedure for Registering EFP and EFS Transactions on the Exchange
 - Exchange Approval
 - Audit Trail
- D Security Deposit and Margin Requirements**
 - Introduction
 - SMX Membership
 - Broker Member (BM)
 - Remote Member (RM)
 - Trade Member (TM)
 - SMXCC (Clearing) Membership
 - General Clearing Member (GCM)
 - Special Clearing Member (SCM)
 - SMXCC Membership Structure
 - Appointment of Nominated Representatives
 - Authorised Users
- E Trading**
 - Dealing on Behalf of Customers
 - Customer Money
 - Placing an Order
 - Types of Orders Accepted by the Exchange
 - Orders with Time-Related Parameters
 - Orders with Price-Related Parameters
 - Prices
 - Bid Price
 - Ask Price
 - Last Traded Price
 - Trading Hours
 - Automated Trading System
 - Customer Systems
 - Exchange Gateways
 - Exchange Servers and Applications
 - Market Data
 - Level 1 Data – Best Bid / Ask Data
 - Level 2 Data – Market Depth Data End of Day / Historical Data
 - Order Validation and Matching
 - Daily Price Range (DPR)
 - Market Makers
 - Messages To Members
- F Risk Management and Surveillance**
 - Introduction
 - Alerts
 - Margin Utilisation Monitoring
 - Variation Margin Monitoring
 - Example of VM Computation Intraday
 - Example of VM Computation at the End of the Day
 - Position Limits
 - Market Irregularities and Manipulative Trade Practices
- G Post Trade Management**
 - Order and Trade Modification
 - Manual Trade Entry
 - Give-Up Trades
- H Clearing, Settlement and Delivery**
 - Introduction
 - Novation
 - Settlement Guarantee Fund
 - Multilateral Netting
 - Daily Settlement Price (DSP)
 - Final Settlement Price (FSP)
 - Settlement
 - Cash Settlement
 - Physical Settlement
 - Daily Settlement Amount (DSA)
 - Final Settlement Amount (FSA)
 - Settlement Bank Interface
 - Daily Pay-Ins and Pay-Outs
 - Settlement of Physical Delivery
- I Default and Discipline**
 - Managing Default Risk
 - Inspections and Investigations
 - Event of Breach
 - Declared Default
 - Rights of the Exchange
 - Disciplinary Rules
 - Appeals Rules
- J Regulatory Requirements Relating To Business Operations**
 - Record keeping requirements under the SFA and SFR(LCB)
 - Customer Assets Requirements under SFA and SFR(LCB)
 - Conduct of Business Requirements under the SFA and SFR(LCB)
- K Regulatory Requirements Relating To Market Conduct & Trading**
 - Market Misconduct under the SFA
 - Penalties for Market Misconduct under the SFA
 - Trading Related Acts/Regulations under SFA/SFR(LCB)

module **2** Rules and Regulations for Trading in Futures Contracts (for members of the Singapore Mercantile Exchange ("SMX"))

administered by IBF
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- L Prevention of Money Laundering and Countering The Financing Of Terrorism**
Introduction to Prevention of Money Laundering and Countering The Financing Of Terrorism
Summary of the Key Provisions of the CDSA

MAS Notice on Prevention of Money Laundering
Customer Due Diligence ("CDD")
Simplified Customer Due Diligence
Enhanced Customer Due Diligence
Performance of Customer Due Diligence Measures by Intermediaries

Record keeping
Reporting Suspicious Transactions
Internal Policies, Compliance, Audit and Training
ANNEXURE: Know Your Customer Checks (MAS Notice)
Appendix 1: Intermediary Introduction Certificate

module **3** Rules and Regulations for Fund Management

administered by IBF

- A Fund Management Regulatory Bodies and Self-Regulatory Organisations**
The Monetary Authority of Singapore
Singapore Exchange Limited (SGX) and Singapore Exchange Securities Trading Ltd (SGX-ST)
The Central Depository (Pte) Ltd (CDP)
Singapore Exchange Derivatives Trading Limited (SGX-DT)
SGX Regulation of the Securities and Futures Market
MAS-SGX Regulatory Relationship
Investment Management Association of Singapore

- B Fund Management Regulations and Guidelines**
The Securities and Futures Act
CPF Investment Scheme
Prevention of Money Laundering and Countering the Financing of Terrorism
IMAS Code of Ethics and Standards of Professional Conduct

- C Licensing**
Licensing Requirements for Fund Management
Capital Requirements for a CMS Licence Holder for Fund Management
Representatives of a CMS Licence Holder
CEO and Directors of a CMS Licence Holder
Guidelines on Fit and Proper Criteria
Extra-Territoriality of the SFA

- D Conduct of Business**
Introduction
Returns to the MAS
Register of Interests in Securities
Record Keeping Requirements
Handling of Customer's Assets
Customer's Money and other Assets
Statement of Account to Customers
Limits for Unsecured Credit and Credit Facilities
Securities Borrowing and Lending
Advertisements
Certain Representations Prohibited
Disclosure of Certain Interest in Respect of Underwriting Agreement
Outsourcing Arrangements

- E Market Conduct**
Introduction
Types of Market Misconduct in Relation to Securities
Types of Market Misconduct in Relation to Futures and Leveraged Foreign Exchange Trading
Insider Trading
Continuing Disclosure Obligations
Extra-Territorial Jurisdiction
Penalties for Market Misconduct and Insider Trading

- F Collective Investment Schemes**
Introduction
Offers of CIS
Authorised CISs
Continual Compliance for Authorised CISs
Managers of Authorised CISs
Trustees of Authorised CISs
Operations Pertaining to Authorised CISs

Recognised CISs
Administration of Recognised CISs
Managers of Recognised CISs
Application for Authorisation or Recognition of a CIS
Refusal to Authorise or Recognise a CIS
Prospectus and Offer Documents
Restrictions on Advertisements

- G Central Provident Fund Investment Scheme (CPFIS)**
Introduction to the CPFIS
FMCs
Investment Products under the CPFIS
Application and Admission Criteria for Funds Managed by FMCs
Fund Management Accounts
Risk Classification for CIS Included under the CPFIS
Disclosure Requirements for FMCS under the CPFIS
Compliance with the CPFIS

- H Prevention of Money Laundering**
Introduction to Prevention of Money Laundering
Summary of Key Provisions of the CDSA
MAS Notice on Prevention of Money Laundering
Customer Due Diligence (CDD)
Simplified Customer Due Diligence
Enhanced Customer Due Diligence
Performance of Customer Due Diligence Measures by Intermediaries
Record Keeping
Reporting Suspicious Transactions
Internal Policies, Compliance, Audit and Training

module **4** Rules and Regulations for Advising on Corporate Finance

administered by IBF

- A The Regulatory Bodies**
The Monetary Authority of Singapore
Singapore Exchange Limited
Securities Industry Council

- B SFA and Regulations**
Stabilisation Action During IPO
Offering of Investments
Disclosure of Interest in Securities
Prohibition of Insider Trading and other Market Misconduct

- C Singapore Code on Take-Overs and Mergers**
Introduction
Compliance with the Code

General Principles
Types of Offer
Concert Parties
Period Leading to an Offer: Some Relevant Rules
Conduct During the Offer: Some Relevant Rules
Offer Timetable - Key Dates
Lodgment of Documents
Acceptances
Whitewash Waiver

- D SGX-ST Listing and Disclosure Requirements**
Listing Requirements
Debt Securities

Listing Requirements for Foreign Issuers of Securities
Investment Funds
SGX-ST Corporate Disclosure Policy

- E Public Listing of Companies**
Introduction
Listing Process
Prospectus Requirements
Advantages and Disadvantages of a Public Listing
Other Methods of Issuing Capital by a Listed Company

Rules and Regulations for Advising on Corporate Finance (Solely Debt Securities)

A The Regulatory Bodies

The Monetary Authority of Singapore
Singapore Exchange Limited
Securities Industry Council

B Regulations Regarding Debt Offerings

Paying Agent
Release of Reports
Adjustments
Trustee and Trust Deed

C Listing Requirements for Debt Securities

General
Listing Requirements for Local Debt Securities
Listing Requirements for Foreign Debt Securities

Listing Procedures in Respect of Submission for Debt Securities
Continuing Listing Obligations

D Prospectus Requirements

Under the SFA
Lodgment and Registration of the Prospectus
Supplementary or Replacement Documents
Stop Orders
Return of Subscription Monies Paid by Investors

E SGX-ST Corporate Disclosure Policy

Disclosure Obligations under the Listing Manual
Compliance with CG Code

Provisions of Appendix 7.1 of the Listing Manual
Exceptions to the Disclosure Obligations
Examples of the Operation of the Disclosure Obligation
Confidentiality
Clarification or Confirmation of Rumours or Reports
Unusual Trading Activity
Policy on Thorough Public Dissemination
Content and Preparation of Public Announcement
Policy on Insider Trading
Role of Market Surveillance

Rules and Regulations for Financial Advisory Services

A The Regulatory Bodies and Associations

The Monetary Authority of Singapore
Singapore Exchange Ltd & Singapore Exchange Securities Trading Ltd (SGX-ST)
The Central Provident Fund Board
The Investment Management Association of Singapore
Life Insurance Association of Singapore

B The Regulations

Financial Advisers (FA) Act and FA Regulations
Written Directions/Guidelines
MAS Notices
Code of Conduct
Code on Collective Investment Schemes

C Conduct of Business

Restriction on granting unsecured loans
Obligation to disclose product information to clients
Statements by licensees
Recommendations by licensees
Receipt of clients' money or property
Obligation to furnish information to Authority
Insurance broking premium accounts
Negotiation and placement of risk with unregistered insurer
Representations by licensees
Licensees to disclose certain interests in securities
Offences
Securities hawking prohibition

D Financial Needs Analysis

Fact Find
Identifying client's needs
Quantifying the needs

Product recommendations and presentation
Client review

E Minimum Sum Scheme, CPF Investment Scheme (CPFIS) and Supplementary Retirement Scheme (SRS)

Minimum Sum Scheme
Features of CPFIS and SRS
Differences between CPFIS and SRS
Conduct of financial advisers related to CPFIS

F Guidelines on Money Laundering

Key legal obligations
Basic principles and policies to combat money laundering
- Know your customer
- Compliance with laws
- Cooperation with law enforcement agencies
- Policies, procedures and training

Securities Products and Analysis

A Investments and Financial Markets

Financial assets
Financial markets

B Risk and Return

Risk-return trade-off
Measures of return
Measure of risk

C Financial Statement Analysis

Major types of financial statements
Financial ratio: types and uses
DuPont system of analysis
Comparative and trend analysis
Limitations of ratio analysis

D Equities Securities Analysis

Characteristics and type of equity securities
Stock market indices
Equity valuation methods

E Technical Analysis

Basic philosophy and assumptions

Challenges to technical analysis
Technical indicators

F Economic Analysis

Components of growth
Economic indicators
Monetary policy
Fiscal policy

G Industry Analysis

Industry life cycle
Competitive forces and industry structures
Business cycle analysis

H Fixed Income Securities Analysis

Types of fixed income securities
Characteristics and features of bonds
Type of risks in bonds
Valuation of bond
Relationship between bond price and required yield
Relationship between coupon rate, required yield and price

Time path of a bond
Measures of bond yields
Term structure of interest rates
Measures of bond price volatility
Convertibles

I Futures

Futures contract
Structure of futures markets
Mechanics of futures trading
Uses of futures contracts
Spot-futures parity theorem
Stock index futures
Interest rate futures
Single Stock Futures (SSF)
Differences between stock, SSF and Stock Index Futures

J Options

Definitions and terminology
Call options, put options and warrants
Payoffs and profits from option positions

module **6** **Securities Products and Analysis**

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cont'

Option strategies
Option valuation
Attractions of options
Stock index options
Interest rate options
Currency options

K Warrants and Other Investment Products

Warrants
Exchange-Traded Funds
American Depository Receipts

L Foreign Exchange and Swap Contracts

The foreign exchange market
Foreign exchange rate quotations
Forward foreign exchange contract

Foreign exchange swap
Swaps in capital markets
Interest rate swaps
Currency swaps

M Unit Trusts/Funds Products

Definition of unit trust
Investment trusts
Advantage of investing in unit trusts
Types of funds (including unit trusts and hedge funds)
Innovative unit trust schemes
Real Estate Investment Trusts (REITS)
Charges and fees
Bid and offer prices
CPFIS – Risk classification system
Evaluation of unit trusts

N Portfolio Theory

Diversification and portfolio risk
Systematic and unsystematic risk
Correlation coefficient
Calculating portfolio return and risk
International diversification
Capital Asset Pricing Model and other asset pricing models

O Portfolio Management

Portfolio management process
Determinants of investment policy
Asset allocation

P Performance Measurement

Measuring investment returns
Risk-adjusted measures of performance
Performance attribution

module **7** **Futures Products and Analysis**

administered by **IBF**

A Fundamentals of Futures Contracts

Characteristics of a futures contract
Types of futures contracts (include stock index futures and single stock futures contracts)
Stock, single stock futures and stock index futures differences
Types of orders
Futures vs cash markets
Contract specifications and value
Participants in the futures market

B Futures Applications

Speculating
- Scalper, day trader, position

Trader

- Spread trading
 - Inter-commodity and inter-market spread
 - Managing risk/reward relationship
- Hedging
- Measuring risk
 - Relationship between cash and futures prices
 - Convergence of basis
 - Long and short hedge
 - Developing an effective hedge programme
 - Managing the hedge

Arbitraging

- Cash and futures arbitrage
- Yield curves

C Fundamentals of Options

Fundamentals of options pricing
Types of options contracts (including options on futures)
Specifications of options contracts
Trading strategies

D Forecasting Techniques

Fundamental analysis
Technical analysis
Statistical analysis

module **8** **Collective Investment Schemes**

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A Investment and Financial Markets

Types of investment
Financial markets

B Risk and Return

Risk-return trade-off
Measures of return
Measures of risk
The required rate of return

C Consideration for Investments

Investment objectives and risk tolerance

Liquidity
Time horizon
Tax consideration
Regulation and legal constraints
Diversification

D Unit Trust/Funds Products

Unit Trust/Investment Trust
Role of Trustee
Role of fund managers
Advantages of investment in unit trusts

Types of funds (including unit trusts and hedge funds)
Innovative unit trust schemes
Real Estate Investment Trusts (REITS)
Charges and fees
Bid and offer prices
Forward pricing vs historical pricing
CPF Investment Scheme
- Risk Classification System
Evaluation of unit trusts

module **9** **Life Insurance and Investment-Linked Policies**

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PART 1 INTRODUCTION AND BASIC PRINCIPLES

A Risks and Insurance

Risks
Insurance as a risk transfer mechanism
Types of personal risks that can be insured
What is life insurance
Uses of life insurance

B Basic Life Insurance Principles

Law of large numbers
Principle of utmost good faith and life insurance

What is insurable interest

C Financial Markets and Investment Risks

Investment and financial markets
Risk and return
Considerations for investments

D Setting Life Insurance Premium

Pricing consideration
Determining gross premium
Other factors that affect the amount of premium that a policy-owner has to pay

PART 2 BENEFIT DESIGN

A Classification Of Life Insurance Products

Ways of classifying life insurance products
- by statutory insurance fund
- by product type
- by premium type
- by ownership

module **9** Life Insurance and Investment-Linked Policies

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PART 2 BENEFIT DESIGN

B Non-Participating Insurance Products

What is meant by non-participating insurance
How do non-participating insurance products work
Types of non-participating policies
Premium payment modes
Benefits and limitations of non-participating insurance

What is ILP
Purposes of ILPs
Types of ILPs

How does ILP work for regular premium

C Participating Insurance Products

What is meant by participating insurance
How do participating insurance products work
Types of participating policies
Premium payment modes
Benefits and limitations of participating insurance

E Definitions, Features and Charges of Investment-linked Insurance Products

Definitions
- Bid price, offer price, bid-offer spread
- Single pricing
- Premium allocation
- Reduced allocation period
- Front-end load/Back-end load/Level load
- Single/different accounts
- Forward pricing and historic pricing
Features of investment-linked life insurance products
Types of charges

G Investment-linked Funds

Definitions of investment-linked funds
Types of investment-linked funds

H Benefits and Risks of Investment-linked Insurance Products (ILPs)

Benefits
Risks
Compare ILPs with unit trusts

I Annuities

What are annuities
How do annuities work
Parties to an annuity contract
Types of annuities
Variations of annuity policies

D Introduction, Purposes and Types of Investment-linked Insurance Products (ILPs)

F How do Investment-linked Insurance Products (ILPs) Work
How does ILP work for single premium

J Group Life Insurance

Characteristics of Group Life Insurance
Types of Group Life Policies

PART 3 DISCLOSURE AND SALES PROCESS

A Establish Client's Needs

Considerations for life insurance
Considerations for annuities

B Disclosure Requirements

LIA disclosure guidelines
Your guide to life insurance
Product summary

Benefit illustration
Proposal form
Policy contract

PART 4 NEW BUSINESS AND UNDERWRITING

A Application and Underwriting

Life Insurance application form
Basic principles of underwriting
Medical and non-medical applications

Other sources of underwriting information
Underwriting decision
Commencement of risks

Effecting the annuity policy
General underwriting principles for Group Life Insurance

PART 5 POLICY SERVICES AND CLAIMS

A Premium Payments

Modes of premium payments
Methods of premium payments
Premium receipt
Premium notice
How insurance advisers can help their clients

Policy loans
Withdrawing cash bonus

C Policy Lapses and Surrenders

Lapsing of policies
Reinstatement of lapsed policies
Surrendering of policy
Alternatives to surrendering of policies
Documents required for the surrendering of policies

Joint ownership
Claims settlement
Documents required for the settlement of death claims
Disability claims
Maturity claims
Dread disease rider claims
Hospital cash (income) rider claims
Benefit rider claims
Personal accident claims
Settlement options
Annuity payout & claims procedures

B Policy Transactions

Why are policy alterations necessary
Types of alteration
Duplicate policy
Assignment of a policy

D Claims: Death, Disability and Maturity

Death claims

PART 6 LAW AND TAXATION

A Law of Contract

What is a contract
Elements of a valid contract
Life insurance contract
Common contract provisions in an annuity policy

C Income Tax and Life Insurance

What is taxable
Assessable income and chargeable income
Personal reliefs and deductions
Rates of tax
- Rebates
- Tax position of a person who does not contribute to CPF
- Tax position of a person contributing to CPF
- Tax benefit for SRS participants on withdrawal
Tax on annuity proceeds

Gifts and estate duty
Assigned policies
Trust policies created under Section 73 of the Conveyancing and Law Of Property Act (Cap. 61)
Use of life Insurance to pay off estate duty
Policies taken on another person's life
Computation of estate duty

B Law of Agency

Agency, agents and principals
Creation of an agency
Duties of an insurance agent
Agent's authority
Acts outside authority
Ratification of a contract
Waiver and estoppel
Rights of an agent
Termination of agency
Types of agency
Role of agents in claims

D Estate Duty and Life Insurance

What is an estate
What is dutiable
What is "property passing on death"

E Beneficiary, Wills and Trust

Nomination of beneficiary
The will
What is a trust?
Policies issued under Section 73 of the Conveyancing and Law of Property Act of Singapore (Cap. 61)
Bankrupts

SECTION I : INTRODUCTION

- A Introduction to Singapore Real Estate Investment Trusts (S-REITs)**
 - Overview and History
 - Structure and Nature of an S-REIT
 - Key Elements of an S-REIT and Roles of Key Participants in an S-REIT
 - Regulatory Bodies
 - Legislation, Rules & Regulations
 - Differences Between S-REIT and Securities Collective Investment Schemes

SECTION II : PRODUCT KNOWLEDGE

- B Introduction to the Property Market**
 - Property Market (Asset Classes & Geographical)
 - Types of Asset Classes
 - Real Estate as an Asset Class
 - Features of Property as an Investment
 - Advantages of Real Estate Investment
 - Disadvantages of Real Estate Investment
 - Portfolio Diversification (Asset Class & Geography)
 - Global Real Estate Markets
- C Yield Considerations For Property Investment**
 - Yield Considerations
 - Valuation
 - Valuation Methodology
- D Basic Asset Management of Property**
 - What is Asset Management?
 - What is Property Management?
 - Outsourcing of Property Management Functions
 - Leases
- E Basic Structuring of an S-REIT**
 - Differences Between Listed and Private Vehicles
 - Capital Structure
 - Debt and Equity Allocation
- F Pricing and Investing In An S-REIT**
 - Pricing an S-REIT
 - Investing in an S-REIT: Key Drivers for Success
- G Key Ratios and Performance Measures**
 - Capitalisation Rate
 - Deposited Property
 - Net Property Income
 - EBITDA
 - Equity Market Capitalisation
 - Distributable Income
 - Distributions Per Unit
 - Distribution Yield
 - Aggregate Leverage
 - Net Asset Value
 - Price to Net Asset Value
 - Premium/Discount to Net Asset Value
 - Weighted Average Lease Expiry ("WALE")
 - Usage Mix
 - Total Returns
 - Debt Headroom
 - Interest Coverage Ratio ("ICR")
 - Debt Service Cover Ratio ("DSCR")

- H Due Diligence**
 - Overview of the Due Diligence Process
 - Scope of Due Diligence
 - Objectives of Due Diligence
 - Areas of Due Diligence
 - Due Diligence (Property / Technical)
 - Due Diligence (Legal)
 - The Due Diligence Process
 - Verification Meeting

SECTION III : RULES & REGULATIONS

- I Legal Framework of S-REITs and Property Funds Guidelines**
 - Introduction
 - Definition of "Collective Investment Scheme"
 - Offers of Units in a Collective Investment Scheme
 - Authorised Collective Investment Schemes
 - Trustee
 - Manager
 - Trust Deed
 - Permissible and Restricted Investments
 - Valuations
 - Aggregate Leverage Limits
 - Maintaining a Register of Participants
 - Accounts and Reports
 - Other Operational Obligations
 - Related Party Transactions
 - Application for Authorisation of S-REIT
 - Revocation, Suspension or Withdrawal of Authorisation
 - Winding Up an S-REIT
- J Regulatory Requirements relating to Offer of Units in S-REIT**
 - Prospectus Requirements Under the Securities and Futures Act
 - Disclosure Documents
 - Information to be Included in Disclosure Documents
 - Liabilities for Not Complying with the Prospectus Requirements
 - Lodgment and Registration of Disclosure Documents
 - Lodgment of Supplementary Documents or Replacement Documents
 - Duration of Validity of Prospectus
 - Stop Order / Interim Stop Order
 - Restrictions on Advertisements
 - Listing Requirements Under the Listing Manual
 - Use of the Terms "Real Estate Investment Trust" or "REIT"
- K Continuing Listing Obligations**
 - Introduction
 - Announcements and Notifications
 - Periodic Reports
 - Free Float
 - Listing Fees
 - Corporate Governance
 - Related Party Transactions
 - Take-Overs Involving S-REITs
 - Circulars to Unitholders
 - Operational Matters
- L Market Conduct**
 - Introduction
 - Types of Market Misconduct in Relation to Securities
 - Insider Trading
 - Extra-Territorial Jurisdiction Clause for Insider Trading

- Corporate Disclosure Policy Under the SGX-ST Listing Manual
- Best Practices on Dealing in Securities
- Penalties for Market Misconduct and Insider Trading

- M Prevention of Money Laundering**
 - Introduction
 - Process of Money Laundering
 - Sources of Law Governing Money Laundering and Terrorism Financing
 - Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act
 - Liabilities for Breaching the Five Basic Money Laundering Offences
 - Failure to Comply with Enforcement Law Agencies
 - Record Retention Obligation Under CDSA
 - New Reporting System for Cross Border Movements of Physical Currency and Bearer Negotiable Instruments
 - Anti-Terrorism Financing Law
 - MAS Notice and Guidelines on Prevention of Money Laundering and Countering the Financing of Terrorism
 - Basic Principles and Policies to Combat Money Laundering and Terrorism Financing
 - Customer Due Diligence ("CDD")
 - Simplified CDD
 - Enhanced CDD
 - Performance of Customer Due Diligence Measures by Intermediaries
 - Record Keeping Obligations Under MAS Notice
 - Reporting Suspicious Transactions
 - Internal Policies, Compliance, Audit and Training
- N Conduct of Business**
 - Introduction
 - Returns to the MAS
 - Register of Interests in Securities
 - Base Capital Requirement
 - Total Risk Requirement
 - Register Representatives
 - Record Keeping Requirements
 - Penalties
 - Certain Representations Prohibited
 - Outsourcing arrangements
- O Differences between Real Estate Investment Trusts and Business Trusts**
 - Introduction to Business Trusts
 - Regulatory Regime
 - Use of the Term "Real Estate Investment Trust" by a Business Trust
 - Ownership Rights
 - Key Operational Concepts
 - Enhanced Reporting Requirements of a Business Trust
 - Board Composition of a Business Trust
 - Staffing Requirements
 - Issue of Units
 - Removal of Trustee-Manager and Manager
 - Licensing Framework
 - Rights of Unitholders and Creditors Rights



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