

Adjusting to a tougher world of wealth management

WMI reviewing training curriculum for professionals in the industry

By **CONRAD TAN**

[SINGAPORE] The Wealth Management Institute (WMI) is reviewing its standards and curriculum for training private bankers and other wealth-management professionals to prepare them for a more difficult investing environment.

Wealth advisers and investors need to adjust to a world in which even basic tenets of investing are now in doubt, said Government of Singapore Investment Corp group chief investment officer Ng Kok Song, who is also the founder and chairman of WMI.

“You have a challenging situation now with regard to risk because investors and wealth advisers are so used to the concept of a risk-free rate, and the risk-free rate has always been represented by the government bonds of the developed economies.

“Today, the risk-free nature of quite a number of these sovereign bonds is being called into question, because people are talking about the haircuts that need to be applied to the bonds that are issued by some of the developed economies in Europe.

“So the whole concept of risk has got to be re-examined and investors as well as wealth advisers have got to be retrained for the new

paradigm in the global economy.”

An advisory committee led by Mr Ng will review the curriculum of all WMI training programmes and propose changes and updates based on the current and expected future needs of the wealth management industry. He will be assisted by WMI chief executive Cynthia Teong and WMI director Aaron Low.

The committee will also suggest updates and changes to the Financial Industry Competency Standards accreditation framework, launched by the Institute of Banking and Finance in September 2005, to raise the standards of workers and training providers in the financial sector.

The review is expected

to take six to nine months, and the committee will present its findings in the second half of next year, Ms Teong said.

Other high-profile members of the advisory committee include Citi Private Bank chairman Deepak Sharma, who is also co-chair of the Private Banking Industry Group; DBS Group wealth management head Tan Su Shan; and Bank of Singapore CEO Renato de Guzman.

One of the broad aims of the review will be to examine how to restore private-banking clients’ trust in banks, which suffered during the financial crisis, Mr Sharma said. That would mean a focus on making sure that wealth advisers are competent and are

able to offer objective advice to customers, and that the risks of products they sell are transparent.

“There’s a huge trust deficit between the client today and the provider,” Mr Sharma said. “We need to build that trust. That’s the only sustainable business model we can have.”

Over 3,000 participants have attended WMI’s various training programmes since it was formed in 2003, including private bankers, regulators and even private investors, from Singapore and elsewhere in Asia, Mr Ng said.

“I hope we can train another 5,000 over the next five years,” he added. “We intend to become the foremost wealth management training institute in Asia.”