

## CMFAS Module 6A – Securities & Futures Product Knowledge

### Summary of Updates (Aug 2023 – Version 2.13)

The updates made to the CMFAS Module 6A (Oct 2019 – Version 2.12) are summarized as follows:

*\*Additions / updates / corrections are indicated in blue italics.*

*Deletions are indicated in strikethrough.*

*Section and page references relate to the updated study guide*

Chapter / Section	Page No	Update / Amendment
<b>Chapter 10 – Comparison of Different Types of Structured Products</b>		
10.3.2 / Discount Certificates	226	10.3.2 Discount Certificates
		<p>In constructing a discount certificate:</p> <ul style="list-style-type: none"> <li>• <del>The premium received from the sale of the calls is greater than the cost incurred from the purchase of a zero-strike option.</del></li> <li>• <i>The premium received from the sale of the call option is utilised to partially offset the cost incurred from the purchase of a zero-strike option.</i></li> <li>• This amount is passed on to the investor at the time of investment and the product is issued at a discount to face value, so that the investment sum he puts in is less than the amount an investor pays for a similar reverse convertible.</li> <li>• The discount certificate investor gets part of his return in the form of a discount to the face value at the time of making the investment.</li> <li>• At maturity or redemption, he will not receive a full a coupon payout but receives the face value of the certificate (assuming no credit or market events occur).</li> </ul>