



## Regulatory Update

11 October 2016

### Amendment to MAS Notice FAA-N13

#### Overview

Jurisdiction	Singapore
Executive Summary	<p>The Monetary Authority of Singapore (“MAS”) has amended the Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers (“MAS Notice FAA-N13”). The amendments:</p> <ul style="list-style-type: none"><li>• provide further clarification on when CMFAS Module 5 on rules and regulations must be retaken; and</li><li>• provide exemptions from Continuing Professional Development (“CPD”) training requirements to:<ul style="list-style-type: none"><li>a) an appointed representative who only provides execution-related advice and the financial advisory service of marketing of any collective investment scheme, and</li><li>b) an appointed representative who only provides the financial advisory service of marketing of any collective investment scheme.</li></ul></li></ul>
Effective Date	9 September 2016

#### The New Rules

##### Amendment to MAS Notice FAA-N13

The MAS has amended the Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers (“MAS Notice FAA-N13”). The amendments (i) rephrase the minimum academic qualification requirement; (ii) provide further clarity on the circumstances when CMFAS Module 5 on rules and regulations will need to be retaken; and (iii) provide exemption to certain types of appointed representatives with regards to CPD training requirements.

##### Amendment 1 & 2

Sub-paragraph 15(a) of MAS Notice FAA-N13, which pertains to the minimum academic qualification requirements has been amended. Footnote 1A will be removed, and inserted directly into sub-paragraph 15(a).<sup>1</sup> This is just a syntax amendment, and there are no changes in substance.

<sup>1</sup> Paragraph 15:

For the purpose of paragraph 13(b) of this Notice, the minimum academic qualification requirements are as follows:



### **Amendment 3**

Paragraph 25 of MAS Notice FAA-N13 has been amended such that “paragraph 26” as stated in the paragraph will be replaced by “paragraphs 16A and 26”.

This amendment stipulates that the following individuals (as under paragraph 16A) must re-take and pass Module 5 of the CMFAS Exam before providing any financial advisory services as an appointed representative:

- a) any individual providing financial advisory services before 1 February 2014, and had ceased to provide such services on a date before or on 1 February 2014, who does not recommence providing any financial advisory service as a representative of a financial adviser for a continuous period of 1 year from the date of cessation; or
- b) any individual who ceases to provide any financial advisory service as a representative after 1 February 2014, but does not recommence the provision of any financial advisory service with a financial adviser for a continuous period of 1 year from the date of cessation.

### **Amendment 4**

Paragraph 33B of MAS Notice FAA-N13 has been amended, with the inclusion of a new exemption from complying with paragraphs 30A, 31 and 31B of the Notice pertaining to CPD training requirements for appointed representatives<sup>2</sup> for (a) an

- 
- a) a full certificate in GCE 'A' Level;

Will be replaced by:

- a) a GCE 'A' level certificate with passes in at least three subjects at “Higher 2” level and two subjects at “Higher 1” level”;

Footnote 1A:

A full GCE 'A' Level certificate includes at least passes in three "Higher 2" and two "Higher 1" subjects;

<sup>2</sup> Paragraph 33B:

Paragraphs 30A, 31 and 31B do not apply to —

- a) individuals referred to in paragraph 8 of this Notice;
- b) a representative referred to in paragraph 24 of this Notice; and
- c) an appointed representative whose principal is a financial adviser referred to in paragraph 13 of FAA-N16 and who only provides execution-related advice to clients.

Will be replaced by:

Paragraphs 30A, 31 and 31B do not apply to –

- a) individuals referred to in paragraph 8 of this Notice;
- b) a representative referred to in paragraph 24 of this Notice;
- c) an appointed representative whose principal is a financial adviser referred to in paragraph 13 of FAA-N16 and who only provides –
  - i. execution-related advice to clients; or
  - ii. execution-related advice and the financial advisory service of marketing of any collective investment scheme; or
- d) an appointed representative who only provides the financial advisory service of marketing of any collective investment scheme.

Paragraph 30A

Every appointed representative of a financial adviser must –

- a) undergo structured CPD training which is relevant to the type of financial advisory services that he provides; and
- b) obtain and retain relevant supporting evidence that he has completed the minimum hours of structured CPD training under paragraph 31 or 31B of this Notice, as applicable, within the stipulated period.

Paragraph 31

With effect from 1 January 2016 and subject to paragraph 31D(b), an individual who acts or holds himself out to be an appointed representative –



appointed representative who only provides execution-related advice and the financial advisory service of marketing of any collective investment scheme, and (b) an appointed representative who only provides the financial advisory service of marketing of any collective investment scheme.

- 
- a) immediately before 1 January 2016 and continues to be so from that date; or
  - b) from 1 January 2016, and provides –
    - i. only one type of financial advisory service, must complete by the end of every calendar year: –
      - A. the minimum number of training hours in Ethics and Rules and Regulations respectively set out in the second column of Table A for that type of financial advisory service; and
      - B. the minimum number of training hours set out in the third column of Table A for that type of financial advisory service; and
    - ii. two or more types of financial advisory services, must complete by the end of every calendar year –
      - A. the minimum number of training hours in Ethics and Rules and Regulations, respectively set out in the second column of Table A for those types of financial advisory service; and
      - B. the higher of the minimum number of training hours set out in the third column of Table A for those types of financial advisory services.

**Paragraph 31B**

Subject to paragraphs 31C and 31D(b), where an individual is an appointed representative of a particular principal for an aggregate period of less than a year in a calendar year, the appointed representative must complete by the end of that calendar year –

- a) a pro-rated minimum number of training hours in Ethics and Rules and Regulations calculated in accordance with the formulas in subparagraphs (i) and (ii) below respectively (“Pro-rated Core CPD hours”); and
- b) a pro-rated minimum number of Supplementary CPD training hours calculated in accordance with the formula in sub-paragraph (iii) (“Pro-rated Supplementary CPD hours”).



Please consult the following new rules for details:

- [FAA-N13 \(Amendment\) 2016](#)
- [FAA-N13 \(New Version\)](#)
- [FAA-N13 FAQs](#)

For more information or further discussions, please contact Water Dragon Solutions Pte Ltd, the Compliance Practice of Maroon.

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