

PROGRAMME PROSPECTUS
NEW SINGAPORE SFA AND FAA AND OTC DERIVATIVES CONTRACTS
– BUSINESS CONDUCT REQUIREMENTS UNDER THE FAA

1. Learning Objectives and Outcomes

Dealing in, or advising on, over-the-counter derivatives contracts (“**OTCDs**”) are now regulated activities in Singapore under the Securities and Futures Act and the Financial Advisers Act (“**FAA**”).

This programme focuses on the business conduct requirements under the FAA (other than the requirements relating to recommendations on investment products under MAS’s Notice on Recommendations on Investment Products and the accompanying Practice Note) that licensed financial advisers and exempt financial advisers (“**EFAs**”) are required to comply with when advising on OTCDs.

2. Programme Outline

Topic	Summary	Duration
Overview FAA • FAA licensing requirements - o Exchange-traded vs OTC - o Providing financial advice on OTCDs	• Overview of the licensing and registration requirements under the FAA. - o When do you need to be licensed or registered under the FAA in relation to OTCDs? - o What are the more relevant exclusions and exemptions? ▪ What are OTCDs? ▪ What does “providing financial advice on OTCDs” mean?	10 minutes

Topic	Summary	Duration
• FAA business conduct requirements - o Retail and non-retail customers • FAA transitional reliefs - o “Existing” derivatives contracts vs “new” derivatives contracts for intermediaries/advisers other than banks and merchant banks - o “Existing” derivatives contracts vs “new” derivatives contracts for banks and merchant banks We only have a few rules around here Business conduct requirements	• Overview of the business conduct requirements (“BCR”) under the FAA. - o BCR relating to licensing, - o BCR relating to providing financial advice: ▪ advising on, and sale or marketing of investment products; ▪ remuneration and remuneration framework; and ▪ independent sales audit unit. - o BCR relating to recommendations on investment products. • Overview of the application of the BCR. - o Licensed financial adviser vs EFA. - o Non-retail customers that are institutional investors, accredited investors or expert investors, retail customers who are not individuals to retail customers who are individuals. ▪ Who are retail and non-retail customers? • Overview of the transitional reliefs. - o Are there any transitional reliefs from the licensing/registration requirements and BCR for “new” OTCDs? - o Are there any transitional reliefs from the licensing/registration requirements and BCR for “existing” OTCDs? ▪ What are “existing” derivatives contracts and “new” derivatives contracts for intermediaries/advisers other than banks and merchant banks? ▪ What are “existing” derivatives contracts and “new” derivatives contracts for banks and merchant banks?	

Topic	Summary	Duration
	What is the difference for intermediaries/advisers other than banks and merchant banks on the one hand and banks and merchant banks on the other hand?	
Overview of the licensing BCR - Receipt of client's money or property - Register of interests in listed specified products - Approval of CEO and directors Do all the licensing BCR apply to EFAs?	- Overview of the licensing BCR. - Receipt of client's money or property. - What is "client's money or property"? - What are the requirements? - Register of interests in listed specified products. - What are "listed specified products"? - What are the requirements? - When do you need MAS's approval for the appointment of the CEO and directors? - Do all the licensing BCR apply to EFAs?	30 minutes

Topic	Summary	Duration
Overview of the financial advisory BCR • Advising on, and sale or marketing of, investment products - o Fair dealing - o Recommendations - o Product due diligence - o No false or misleading statements	• What is the underlying purpose of the BCR relating to advising on, and sale or marketing of, investment products? • Overview of the financial advisory BCR. - o Advising on, and sale or marketing of, investment products. ▪ Fair dealing. ➤ What are the five outcomes? ➤ How are the outcomes achieved? ▪ Recommendations. ➤ When does it apply? ➤ What are the requirements? ▪ Product due diligence. ➤ When does it apply? ➤ What are the requirements? ➤ Who is “senior management”? ➤ Can senior management delegate? ▪ No false or misleading statements. ➤ When does it apply? ➤ What are the requirements?	150 minutes

Topic	Summary	Duration
- o Product advertisements - o Disclosure of interests in specified products - o General disclosure requirements • Remuneration and remuneration framework • Independent sales audit unit Do all the financial advisory BCR apply to EFAs?	▪ Product advertisements. ➤ What is a “product advertisement”? ➤ When does it apply? ➤ What are the requirements? ➤ Who is “senior management”? ➤ Can senior management delegate? ▪ Disclosure of interests in specified products. ➤ When does it apply? ➤ What are the requirements? ➤ Who is an “associated” or “connected” person? ▪ General disclosure requirements. ➤ When does it apply? ➤ What are the requirements? - o What are the requirements relating to remuneration? - o Remuneration framework. ▪ When does it apply? ▪ What are the requirements? - o Independent sales audit unit. ▪ When does it apply? ▪ What are the requirements? • Do all the financial advisory BCR apply to EFAs?	

Topic	Summary	Duration
Overview of the application of the financial advisory BCR	• A chart showing which financial advisory BCR applies to: - o EFAs; - o retail customers who are individuals; - o retail customers who are not individuals; - o non-retail customers that are expert investors; - o non-retail customers that are accredited investors; and - o non-retail customers that are institutional investors.	
Summary of when the BCR applies to “new” OTCDs	• If you were carrying on business in “new” OTCDs before 8 October 2018, summary of when each BCR applies.	10 minutes
Total		200 minutes

3. Delivery Method

The programme will be delivered through self-directed E-Learning. The programme will be offered on annual subscription basis through the applicant's website:

www.nomikos.com.sg

Participants who have questions can raise their questions via e-mail. Over time, the applicant plans to include a blog on its website that will summarise the most commonly raised questions and answers.

Depending on demand, the applicant may also offer participants a live webinar for questions and answers.

4. Assessment

The assessment will consist of 5 multiple choice questions (which will be randomly selected from a pool of 15 questions).

The passing grade will be 80%.

5. Total CPD hours

Upon successful completion of the programme, the participant will have achieved a total of **3.5 CPD hours**, comprised as follows:

	Duration
Programme	200 minutes
Assessment	10 minutes
Total	210 minutes