Nomikos Consultancy
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PROGRAMME PROSPECTUS

NEW SINGAPORE SFA AND FAA AND OTC DERIVATIVES CONTRACTS - SALE OF, AND RECOMMENDATIONS ON, INVESTMENT PRODUCTS

1. Learning Objectives and Outcomes

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

This programme deals with the requirements under MAS’s Notice on the Sale of Investment Products (“**SFA Sale Notice**”) and the accompanying Practice Note and MAS’s Notice on Recommendations on Investment Products (“**FAA Recommendations Notice**”) and the accompanying Practice Note in relation to derivatives contracts. At the end of the programme, you should understand when they apply and how to comply with the requirements.

2. Programme Outline

Topic	**Summary**	**Duration**
First tell me what you’re buying What are specified investment products (“**SIPs**”) and excluded investment products (“**EIPs**”)? • All derivatives contracts are SIPs • Listed SIPs and Overseas-Listed Investment Products (“**OLIPs**”) o Relevant provisions	• What are SIPs? • What are EIPs? • Are derivatives contracts SIPs or EIPs? • What is a listed SIP? • What is an OLIP? • What are the relevant provisions?	15 minutes

What are the requirements relating to the classification of capital markets products?	• What are the requirements relating to the classification of capital markets products?
	  o Who needs to make the classification?
	  o Who needs to be notified of the classification?
		10 minutes

Topic	Summary	Duration
What do the SFA Sale Notice and the FAA Recommendations Notice cover?	• What do the SFA Sale Notice and the FAA Recommendations Notice cover?	20 minutes
When does the SFA Sale Notice apply? • Relevant provisions	• Who is caught? • Who must the customer be? • What transactions are caught? • What are the relevant provisions?	15 minutes
When does the FAA Recommendations Notice apply? • Relevant provisions • Transitional reliefs	• Who is caught? • Who must the client be? • What is caught? • What are the relevant provisions? • Are there any transitional reliefs?	15 minutes
What does the intermediary/adviser need to do if a retail customer/client who is an individual wishes to purchase an unlisted SIP? • Relevant provisions • How do you assess whether the customer/client possesses relevant knowledge or experience? o Joint accounts o Can you rely on a third party Customer Knowledge Assessment (“**CKA**”)? o How long is a CKA valid for?	• Flow-charts showing what is required. • What are the relevant provisions? • How do you assess whether the customer/client possesses relevant knowledge or experience? o What are the criteria set out in Annex 3 SFA Sale Notice/Annex 2 FAA Recommendations Notice? o What are the alternatives if the above criteria are not met? o Do you need to comply with the CKA process for each joint account holder? o Can you rely on a third party CKA? o How long is a CKA valid for?	70 minutes

Topic	Summary	Duration
• Written warning if the customer/client refuses advice • What are the additional requirements if the customer/client wishes to proceed with an unsuitable product? • Has senior management confirmed with the customer/client who wishes to proceed with an unsuitable product? • Senior management approval if the customer/client wishes to proceed with an unsuitable product	• What do you need to do if the customer/client refuses advice? • What are the additional requirements if the CKA assessment is negative? • What are the additional requirements if the customer/client wishes to proceed with an unsuitable product? • When must senior management confirm with the customer/client? o What must senior management confirm with the customer/client? • When is senior management approval required? o Is senior management approval required if the CKA assessment is positive? o Is senior management approval required if the CKA assessment is negative? o On what basis should senior management give its approval? o Can senior management delegate? o Who is "senior management"? o Who is a "connected person"?	
What does the intermediary/adviser need to do if a retail customer/client who is an individual wishes to purchase a listed SIP? • Relevant provisions	• Flow-charts showing what is required. • What are the relevant provisions?	70 minutes

Topic	Summary	Duration
• How do you assess whether the customer/client possesses relevant knowledge or experience? o Joint accounts o Can you rely on a third party Customer Account Review (“**CAR**”)? o How long is a CAR valid for? • Senior management approval before opening a trading account (positive CAR assessment) • Written warning if the customer/client refuses advice • What are the additional requirements for opening a trading account (negative CAR assessment)? • Has senior management confirmed with the customer/client before opening a trading account (negative CAR assessment)? • Senior management approval before opening a trading account (negative CAR assessment) • What are the additional requirements if the customer/client wishes to proceed with an unsuitable product? • Has senior management confirmed with the customer/client who wishes to proceed with an unsuitable product?	• How do you assess whether the customer/client possesses relevant knowledge or experience? o What are the criteria set out in Annex 2 SFA Sale Notice/Annex 3 FAA Recommendations Notice? o What are the alternatives if the above criteria are not met? o Do you need to comply with the CAR process for each joint account holder? o Can you rely on a third party CAR? o How long is a CAR valid for? • What do you need to do if the customer/client refuses advice? • What are the additional requirements if the CAR assessment is negative? • What are the additional requirements if the customer/client wishes to proceed with an unsuitable product? • When must senior management confirm with the customer/client? o What must senior management confirm with the customer/client?	

Topic	Summary	Duration
• Senior management approval if the customer/client wishes to proceed with an unsuitable product	• When is senior management approval required? o Is senior management approval required if the CAR assessment is positive? Is there any difference between the SFA Sale Notice and the FAA Recommendations Notice? o Is senior management approval required if the CAR assessment is negative? o On what basis should senior management give its approval? o Can senior management delegate? o Who is "senior management"? o Who is a "connected person"?	
What are the requirements for OLIPs?	• What are the requirements for OLIPs?	5 minutes
What are the other requirements under the SFA Sale Notice? What are the other requirements under the FAA Recommendations Notice? What notifications must be given to the customer/client?	• What are the other requirements under the SFA Sale Notice? o Customer's profile. • What are the other requirements under the FAA Recommendations Notice? o Information to be collected from the client. o "Needs" analysis. • What notifications must be given to the customer/client?	30 minutes
What are the documentation and record-keeping requirements?	• What are the documentation and record-keeping requirements?	10 minutes
Total		260 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 **4.5 CPD hours**, comprised as follows:

	Duration
Programme	260 minutes
Assessment	10 minutes
Total	270 minutes