



Monetary Authority of Singapore

**FINANCIAL ADVISERS ACT
(CAP. 110)**

**NOTICE ON ENTRY REQUIREMENTS OF A
PROVISIONAL REPRESENTATIVE**

Notice No : FAA-N12
Issue Date : 26 November 2010

NOTICE ON THE ENTRY REQUIREMENTS OF A PROVISIONAL REPRESENTATIVE

INTRODUCTION

1 This Notice is issued pursuant to sections 23D and 58 of the Financial Advisers Act (Cap. 110) [“the Act”].

2 With the implementation of the amendments to the Act on 26 November 2010, the licensing regime for representatives under the Act was replaced by a representative notification framework. Under this framework, a principal who appoints a representative to provide financial advisory services will have to notify the Monetary Authority of Singapore [“the Authority”] of the appointment and certify the representative’s fitness and propriety to be such a representative. The notification requirement is applicable to the appointment of an appointed or provisional representative under the Act.

3 This Notice sets out the entry requirements in respect of the appointment of provisional representatives as well as the validity period of such appointments.

DEFINITIONS

4 For the purposes of this Notice:

“appointed representative” has the same meaning as in section 2(1) of the Act;

“exempt financial institution” means a financial institution exempt from the requirement to hold a financial adviser’s licence under section 23(1)(a), (b), (c), (d), or (e) of the Act;

“principal” has the same meaning as in section 2(1) of the Act;

“provisional representative” has the same meaning as in section 2(1) of the Act;

“public register of representatives” has the same meaning as in section 2(1) of the Act.

5 Entry Requirements

5.1 The provisional representative scheme is meant to facilitate the relocation of experienced individuals who wish to provide financial advisory service under the Act on behalf of a licensed financial adviser or an exempt financial institution. Such an individual may provide financial advisory service as a provisional representative, while he is given a grace period of three months to pass the relevant examination(s) to satisfy the examination requirements stipulated in the Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers [“Notice No. FAA-N13”]¹.

5.2 The principal shall ensure that any individual proposed to be a provisional representative is able to satisfy the following minimum entry requirements:

- (a) he is at least 21 years old;
- (b) he is in the process of relocating or has already relocated to Singapore;
- (c) he possesses at least three years of working experience relevant to the type of financial advisory service he will provide as a provisional representative; and
- (d) he possesses at least a Bachelor’s degree or equivalent, or a professional qualification².

5.3 The Authority may refuse entry of a provisional representative who fails to satisfy the entry requirements set out in paragraph 5.2.

¹ Principals should also ensure that the individual proposed to be appointed as a provisional representative satisfy the requirements set out in section 23J(1)(s) of the Act and regulation 4B(3) of the FAR, where the individual:

- (a) should be currently or previously licensed, authorised or otherwise regulated as a representative in relation to a comparable type of financial advisory service in a foreign jurisdiction for a continuous period of at least 12 months;
- (b) if he was previously licensed, authorised or regulated in a foreign jurisdiction, the period between the date of his ceasing to be so licensed, authorised or regulated in a foreign jurisdiction and the date of his proposed appointment as a provisional representative does not exceed 12 months; and
- (c) the laws and practices of the jurisdiction under which the individual is or was so licensed, authorised or regulated provide protection to investors comparable to that applicable to an appointed representative under the Act

² Acceptable professional qualifications include those listed in the exemptions for Capital Markets and Financial Advisory Services Examination’s Modules on Product Knowledge and Analysis, as specified in MAS Notice No. FAA-N13.

6 Validity Period

6.1 The appointment of a provisional representative shall be valid for a period of up to three months from the date when the name of the representative is entered into the public register of representatives as a provisional representative.

6.2 In relation to the requirement for the principal to submit a notification of satisfaction of examination requirements under section 23D of the Act, where a provisional representative intends to become an appointed representative for more than one type of financial advisory service, the provisional representative shall ensure that he has passed all the relevant examinations before his principal submits to the Authority, the one-time notification in respect of those financial advisory services to be provided as an appointed representative.

Note:

Under section 58(5) of the Act, any person who contravenes any requirement specified in a written direction issued by the Authority (which would include this Notice), shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$25,000 and, in the case of a continuing offence, to a further fine not exceeding \$2,500 for every day or part thereof during which the offence continues after conviction.