



Monetary Authority of Singapore

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

**FREQUENTLY ASKED QUESTIONS ON
MUTUAL RECOGNITION OF MAS AND THAI SEC PRODUCT
KNOWLEDGE EXAMINATIONS**

Disclaimer: The FAQs are meant to provide guidance to the industry on MAS' policy and administration of the Securities and Futures Act, Financial Advisers Act and regulations. They do not constitute legal advice. MAS expects industry participants to retain their independent legal counsel to advise them on how their business operations should be conducted in order to satisfy the legal/regulatory requirements and to advise them on all applicable laws, rules or regulations of Singapore.

FREQUENTLY ASKED QUESTIONS

1 What is the scope of the MoU?

The MoU covers dealing in securities, marketing of collective investment schemes (CIS) and providing advice on securities and CIS. It does not cover research analyses on these products. Futures contracts and life policies are also not included under the scope of the MoU.

2 How can financial institutions (FIs) in Singapore and Thailand benefit from the MoU?

Under the MoU, MAS and the SEC will mutually recognise the product knowledge examinations on securities and CIS in their respective jurisdictions. This will help to reduce regulatory barriers to capital markets professionals providing their services in both countries.

3 How does the MoU affect Singapore representatives?

A Singapore representative, regardless whether he acts for a holder of a capital markets services licence, holder of a finance adviser's licence, or exempt financial institution, who has passed Module 6 (Securities Products and Analysis) and/or Module 8 (Collective Investment Schemes) of the Capital Markets and Financial Advisory Services (CMFAS) Examination at the time of application to the SEC through a securities company in Thailand will be exempted from the requirement to pass the equivalent product knowledge examination i.e. Module 1 of the Investor Contact Competency Examination (ICCE Module 1) administered by the SEC in Thailand.

A Singapore representative who has only passed Module 6 of the CMFAS Examination will only be allowed to deal in and advise on securities in Thailand. A Singapore representative who has only passed Module 8 of the CMFAS Examination will only be allowed to market and advise on CIS in Thailand. The usual procedures in respect of licensing in Thailand apply. In addition, the Singapore representative has to meet other admission criteria required under the rules and regulations administered by the SEC.

4 How does the MoU affect FIs in Singapore intending to recruit Thai representatives?

A Thai representative who is contracted by a securities company in Thailand as its representative and who has passed the ICCE Module 1 at the time a licensed or exempt capital markets licensee or financial adviser in Singapore lodges a notification to MAS to appoint him as an appointed representative, will be exempted from the need to pass CMFAS Modules 6 and 8.

The usual procedures in respect of appointment of representatives under the Representative Notification Framework in Singapore apply. The Thai representative may be appointed by a licensed or exempt capital markets licensee or financial adviser to deal in securities, market CIS and/or provide advice in respect of securities and CIS. The Thai representative is also required to meet other entry requirements required under the rules and regulations administered by MAS.

[Updated on 26 Nov 2010]

5 Will all representatives from Thailand be considered for exemption under the MoU?

No, only a Thai representative who is contracted by a securities company in Thailand and is licensed by the SEC to deal in securities, market CIS and/or provide advice in respect of securities and CIS and who has passed Module 1 of ICCE will be exempted from the need to pass Modules 6 and 8 of the CMFAS Examination for the purpose of the MoU.

6 Currently, a bank in Thailand can undertake securities business governed by SEC and staff of banks holding investor contact licence are allowed to trade debt and act as a selling agent of CIS. In this regard, can staff of the Bank holding investor contact licence be exempted from the need to pass Modules 6 and 8 of the CMFAS Examination for the purpose of the MoU?

Individuals who are employed by a bank in Thailand and who meet the criteria for exemption, including having the relevant licence from the SEC to undertake securities business, may be exempted from the need to pass Modules 6 and 8 of the CMFAS Examination under the MoU.

7 Will all representatives from Singapore be considered for exemption by the SEC under the MoU?

No, only a representative who is authorized in Singapore to deal in securities, market CIS and/or provide advice in respect of securities and CIS with a holder of a capital markets service licence, holder of a financial adviser's licence, or exempt financial institution, and who has passed either CMFAS Module 6 and/or Module 8 will be exempted from the requirement to pass ICCE Module 1 for the purpose of the MoU.

8 Do the representatives from Singapore and Thailand have to be licensed or authorized in their home country at the time they apply for a licence / appointment?

Yes, a Singapore representative has to be an appointed representative to deal in securities, market CIS and/or provide advice in respect of securities and CIS at the time of application to the SEC. Similarly, a Thai representative has to be licensed by the SEC at the time of notification to the MAS for appointment.

[Updated on 26 Nov 2010]

9 Will the Singapore and Thai representatives be subject to the licensing/appointment requirements of both countries?

Yes, the Singapore and Thai representatives are required to comply with the applicable licensing/appointment requirements to conduct regulated activities in Thailand and Singapore respectively. The Singapore representatives will be required to submit their licence applications to their principal company in Thailand. Notifications to MAS for the appointment of the Thai representatives will be required to be lodged by their principal companies in Singapore.

[Updated on 26 Nov 2010]

10 Are there ongoing requirements imposed on Singapore representatives by the SEC?

A Singapore representative acting as a licensed representative in Thailand under the MoU is required to maintain his appointed representative status in Singapore and meet ongoing training

requirements imposed by the SEC. The Singapore representative is also required to comply with the applicable regulatory requirements imposed by the SEC on representatives in Thailand.

[Updated on 26 Nov 2010]

11 Are there ongoing requirements imposed on Thai representatives by the MAS?

A Thai representative acting as an appointed representative in Singapore under the MoU is required to notify his principal company in Singapore of changes in his licensing status in Thailand and comply with the applicable regulatory requirements imposed by MAS on representatives in Singapore.

[Updated on 26 Nov 2010]

12 Is a Thai representative who has passed the ICCE Module 1 required to pass the regulatory examinations to deal in securities or market CIS in Singapore?

A Thai representative who has passed the ICCE Module 1 and who meets the other criteria for recognition would still be required to meet the entry requirements for representatives in Singapore, and this includes passing regulatory examinations for dealing in securities and/or for marketing CIS in Singapore. Please refer to the Notice on Minimum Entry and Examination Requirements for Representatives of Holders of a Capital Markets Services Licence and Exempt Financial Institutions and Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers on the MAS website for details. Similarly, Singapore representatives who may be exempted from the ICCE Module 1 would still be required to meet the entry and licensing requirements under the Thai regulations.

[Updated on 26 Nov 2010]

13 How does a financial institution in Singapore apply for exemption for its Thai representative?

The usual procedures in respect of the appointment of representatives under the Representative Notification Framework in Singapore apply. The principal company of the representative is required to maintain proper records of supporting documents including the ICCE Module 1 certificate and evidence of the registration status of the Thai representative.

[Updated on 26 Nov 2010]