

# INVESTMENT MANAGEMENT - ETHICS, RULES & REGULATIONS



## ABOUT THE PROGRAMME

This course is tailored for investment management professionals in Singapore and is designed to meet the MAS' requirement under SFA04-N09 where an appointed representative of a holder of a capital markets services licence is required to complete 6 hours of Core CPD training in ethics, rules or regulations or both, that is relevant to the type of regulated activity he conducts.

## BACKGROUND

With effect from 1 January 2019, under the MAS' Notice on Minimum Entry and Examination Requirements for Representatives of Holders of Capital Markets Services Licence and Exempt Financial Institutions ("SFA04-N09"), an appointed representative of a holder of a capital markets services (CMS) licence must complete by the end of every calendar year:

1. Core CPD hours: 6 hours in ethics or rules and regulations or both, which is relevant to the type or types of regulated activity he carries out; and
2. Supplementary CPD hours: 3 hours of relevant training courses.

# LEARNING OBJECTIVES & OUTCOMES

The learning objectives & outcomes for the course is to allow appointed representatives to:

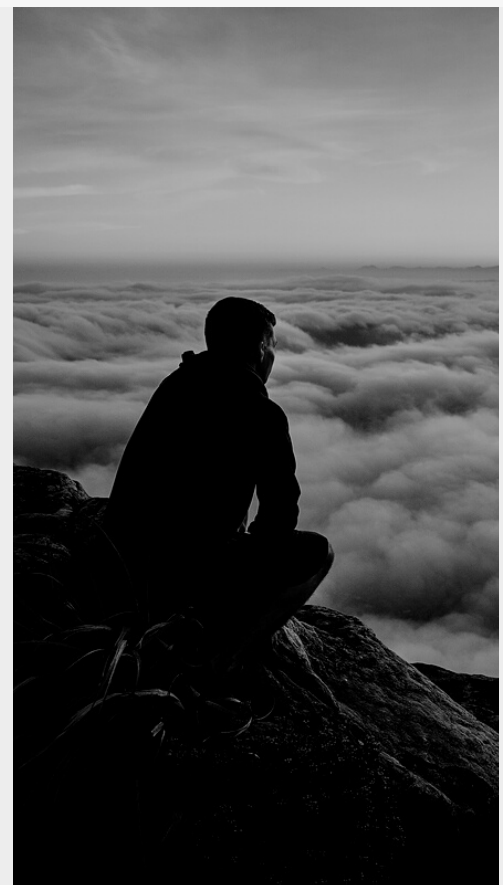
- (a) gain awareness of laws and regulations relevant to the fund management industry in Singapore;
- (b) be kept abreast of the trends and developments of the relevant laws and regulations to the fund management business; and
- (c) be kept abreast of ethical issues relating to fund management industry.

## PROGRAMME STRUCTURE

This **e-Learning programme** offers you **6 training modules** of 1-hour duration each.

An appointed representative of a holder of CMS licence will only need to successfully complete 6 modules by the end of the calendar year\* to meet the MAS' requirement.

The training modules covers topics which are identified to be relevant to fund management professionals and will include case studies to facilitate learning.



\*Appointed representatives of capital market services (CMS) licensees in fund management who are subject to MAS' Core CPD requirements are required to **complete** this course by **30 June 2020** if they have **not** completed their Core CPD requirements for the calendar year 2019

# COURSE TOPICS

| MODULE  | TRAINING DURATION |
|---|-------------------|
| 1. Ethics in the Financial Industry   | 1 HR              |
| 2. Market Abuse in Singapore  | 1 HR              |
| 3. Corporate Governance for Fund Managers and the Senior Management Individual Accountability Regime in Singapore | 1 HR              |
| 4. Introduction to MAS Regulation for Fund Managers   | 1 HR              |
| 5. Anti-Money Laundering and Countering the Financing of Terrorism in Singapore                                   | 1 HR              |
| 6. Strengthening Cyber Resilience Singapore   | 1 HR              |
| GRAND TOTAL   | 6 HR              |

Refer to **Appendix A** for detailed course outline & objectives

# DETAILED COURSE LEARNING OBJECTIVES

| MODULE                              | OBJECTIVES & OUTCOMES  |
|-------------------------------------|--|
| 1. Ethics in the Financial Industry | <p>At the end of the module, participants will be able to:</p> <ul style="list-style-type: none"><li>• Recognise ethical standards and their impact in the financial industry.</li><li>• Gain the requisite knowledge of ethics in business, including role of ethics in organizational leadership, code of ethics standards, ethical behaviour, ethics implementation, Conflicts of Interest, ethical decision-making process and reporting.</li><li>• Be kept abreast of ethical issues relating to the provision of financial services.</li><li>• Discuss unethical cases relating to financial industry, how to make ethical decisions and the importance of ethics reporting.</li><li>• Gain an understanding of and discuss fundamentals of ethics, elements of ethical thinking, personal and business ethical behaviour, Code of Ethics, approaches used to manage conflict of interest, ethical decision-making process, and reporting.</li></ul> |
| 2. Market Abuse in Singapore        | <p>At the end of the module, participants will be able to:</p> <ul style="list-style-type: none"><li>• Gain an understanding of various unfair market practices, including not limited to false trading and market rigging or providing misleading product statements, the consequences of those practices and how to identify suspicious activity.</li><li>• Keep abreast of issues relating to market misconduct in Singapore and relevant SFA rules and regulations to insider dealing.</li></ul>   |

## DETAILED COURSE LEARNING OBJECTIVES

| MODULE  | OBJECTIVES & OUTCOMES   |
|---|---|
| 3. Corporate Governance for Fund Managers and the Senior Management Individual Accountability Regime in Singapore | <p>At the end of the module, participants will be able to:</p> <ul style="list-style-type: none"><li>• Understand elements of corporate governance and corporate governance regime and standard in Singapore, and also practical implementation of senior management for Financial Institutions by MAS, responsibilities and liabilities of Senior Managers &amp; MRFs.</li><li>• Understand corporate governance rules and guidelines relating to fund management industry in Singapore.</li><li>• Gain an understanding of MAS senior management requirements and individual accountability laws and regulations relevant to the fund management industry in Singapore.</li></ul> |
| 4. Introduction to MAS Regulation for Fund Managers   | <p>At the end of the module, participants will be able to:</p> <ul style="list-style-type: none"><li>• Gain a general overview of applicable rules and regulations relevant for Fund Management Companies licensed or regulated by the Monetary Authority of Singapore.</li><li>• Gain an awareness of laws and regulations relevant to the fund management industry in Singapore.</li></ul>  |

## DETAILED COURSE LEARNING OBJECTIVES

| MODULE  | OBJECTIVES & OUTCOMES  |
|---|--|
| 5. Anti-Money Laundering and Countering the Financing of Terrorism in Singapore | <p>At the end of the module, participants will be able to:</p> <ul style="list-style-type: none"><li>• Understand Anti-Money Laundering and Countering Terrorism Financing (“AML/CFT”) rules and regulations applicable to Financial Institutions in Singapore.</li><li>• Understand the type of controls and procedures that are required to be implemented to have a robust system to detect and deter the flow of illicit funds through their organisation.</li><li>• Understand AML/CFT requirements in Singapore and key concepts pertaining to customer due diligence for front office staff and licensed representatives carrying out front office duties.</li></ul>  |
| 6. Strengthening Cyber Resilience Singapore                                     | <p>At the end of the module, participants will be able to:</p> <ul style="list-style-type: none"><li>• Gain an understanding of the new set of rules issued by MAS aimed at raising the cyber security standards and strengthening cyber resilience of Financial Institutions in Singapore.</li><li>• Understand cyber threats, MAS Notice on Cyber Hygiene, impact to FI’s operations, cyber hygiene practices which include administrative accounts, security patches, security standards, network perimeter defense, malware protection and multi-factor authentication, the integration of Cyber Hygiene, Technology Risk Management Guidelines and Business Continuity Management Guidelines, and how cyber security is managed internally.</li><li>• Be kept abreast of the trends and developments of the relevant laws and regulations aimed at raising the cyber security standards and strengthening cyber resilience relating to their fund management business in Singapore.</li></ul> |





## FTS - ELIGIBLE

- This programme is recognised under the Financial Training Scheme (FTS) and is eligible for FTS claims subject to all eligibility criteria being met.
- Please note that in no way does this represent an endorsement of the quality of the training provider and programme. Participants are advised to assess the suitability of the programme and its relevance to participants' business activities or job roles.
- The FTS is available to eligible entities based on the prevalent funding eligibility, quantum and caps. FTS claims may only be made for recognised programmes with specified validity period. Please refer to [www.ibf.org.sg](http://www.ibf.org.sg) for more information.

## Investment Management – Ethics, Rules and Regulations

### Appendix A - Detailed Course Outline & Objectives

| Module                              | Topic  | Learning Objectives & Outcomes  |
|-------------------------------------|--|---|
| 1. Ethics in the Financial Industry | <ol style="list-style-type: none"> <li>1. Basics of Ethics</li> <li>2. Personal Ethical behavior</li> <li>3. Role of Ethics in Organizational Leadership</li> <li>4. Ethics in Business</li> <li>5. Ethical Behavior in Financial industry</li> <li>6. Code of Ethics Standards</li> <li>7. IMAS Code of Ethics &amp; Standards of Professional Conduct</li> <li>8. Fit and Proper</li> <li>9. Ethics Implementation</li> <li>10. Dealing with Conflicts</li> <li>11. Fiduciary Duty</li> <li>12. Conflicts of Interest (with cases)</li> <li>13. Personal conflicts</li> <li>14. Transactions with related parties (with cases)</li> <li>15. Dealing with client assets</li> <li>16. Employees conflicts of interest</li> <li>17. Managing Conflicts</li> <li>18. Ethical Decision-Making Process Framework</li> <li>19. Key Controls to prevent conflicts</li> <li>20. Ethics and Compliance</li> <li>21. Board and senior management responsibilities</li> <li>22. Market conduct safeguards</li> <li>23. Bribery and Corruption</li> <li>24. Prevention of Corruption Act [“PCA”]</li> <li>25. Business Entertainment and Gifts</li> <li>26. Reporting gift / entertainment (with cases)</li> <li>27. Corruption &amp; Business</li> <li>28. Consequences of corruption</li> <li>29. Punishment and Penalties</li> <li>30. Reporting Corruption</li> </ol> | <p>At the end of the module, participants will be able to:</p> <ul style="list-style-type: none"> <li>• Recognise ethical standards and their impact in the financial industry.</li> <li>• Gain the requisite knowledge of ethics in business, including role of ethics in organizational leadership, code of ethics standards, ethical behaviour, ethics implementation, Conflicts of Interest, ethical decision-making process, and reporting.</li> <li>• Be kept abreast of ethical issues relating to the provision of financial services.</li> <li>• Discuss unethical cases relating to financial industry, how to make ethical decisions and the importance of ethics reporting.</li> <li>• Gain an understanding of and discuss fundamentals of ethics, elements of ethical thinking, personal and business ethical behaviour, Code of Ethics, approaches used to manage conflict of interest, ethical decision-making process, and reporting.</li> </ul> |



|  |  |   |
|--|--|---|
| <p>2. Market Abuse in Singapore</p>  | <ol style="list-style-type: none"> <li>1. Importance of Fair Markets</li> <li>2. Rules and Regulations</li> <li>3. False Markets</li> <li>4. Offences in Singapore</li> <li>5. Insider Dealing</li> <li>6. Connected person</li> <li>7. Legal and Illegal Dealing by Insiders</li> <li>8. Prohibited conduct by insiders and connected persons in possession of inside information</li> <li>9. Exemptions</li> <li>10. Information Connected Approach</li> <li>11. Pre- Conditions for Offence</li> <li>12. A person possessing information concerning the corporation</li> <li>13. Availability of information</li> <li>14. Common Investors</li> <li>15. When does Information Have a Price Effect?</li> <li>16. Front Running</li> <li>17. False Trading and Market Rigging</li> <li>18. Market Manipulation</li> <li>19. Spoofing and Layering</li> <li>20. False or misleading statements</li> <li>21. Fraudulently inducing persons to deal in securities</li> <li>22. Dissemination of information about illegal transactions</li> <li>23. Short Selling</li> <li>24. Penalties for these offences</li> <li>25. What could be genuine orders?</li> <li>26. Other Signs of Suspicious Trading</li> <li>27. Employee Responsibilities</li> <li>28. Personal Account Dealing</li> <li>29. Steady strengthening of the insider trading regime in Singapore</li> </ol> | <p>At the end of the module, participants will be able to:</p> <ul style="list-style-type: none"> <li>• Gain an understanding of various unfair market practices, including not limited to false trading and market rigging or providing misleading product statements, the consequences of those practices and how to identify suspicious activity.</li> <li>• Keep abreast of issues relating to market misconduct in Singapore and relevant SFA rules and regulations to insider dealing.</li> </ul> |
| <p>3. Corporate Governance for Fund Managers and the Senior Management Individual Accountability Regime in Singapore</p> | <p>Corporate Governance for Fund Managers</p> <ol style="list-style-type: none"> <li>1. What is Corporate Governance</li> <li>2. Why Corporate Governance</li> <li>3. Who are the Stakeholders within Corporate Governance (chart)</li> <li>4. Elements of Corporate Governance (Corporate Governance vs. Management)</li> <li>5. Pillars of Corporate Governance</li> <li>6. Corporate Governance Crisis Singapore (with cases)</li> <li>7. Corporate Governance Regime in Singapore <ul style="list-style-type: none"> <li>- Companies Act</li> </ul> </li> </ol>  | <p>At the end of the module, participants will be able to:</p> <ul style="list-style-type: none"> <li>• Understand elements of corporate governance and corporate governance regime and standard in Singapore, and also practical implementation of senior management for Financial Institutions by MAS, responsibilities and liabilities of Senior Managers &amp; MRFs.</li> </ul>   |

|  |  |  |
|--|--|--|
|  | <ul style="list-style-type: none"> <li>- Securities and Futures Act (with SFA Notifications Obligations)</li> <li>- MAS - Code of Corporate Governance (with Code of Corporate Governance – 13 Principles)</li> <li>- IMAS Corporate Governance Guide</li> <li>- SID - Statement of Good Practice for Directors</li> <li>- SIAS - Shareholders’ rights</li> <li>- Stewardship Asia Centre – Singapore Stewardship Principles for Responsible Investor</li> </ul> <p>8. Corporate Governance Standard in Singapore</p> <p>9. Director’s Duties</p> <p>10. Criteria for discharging duties</p> <p>10. Fiduciary Duties</p> <p>11. Role of Compliance in Corporate Governance</p> <p>Senior Management and Individual Accountability Regime</p> <p>12. Who is in Scope</p> <ul style="list-style-type: none"> <li>- Heads of Core Management Function</li> <li>- Employees in Material Risk Functions</li> <li>- How to identify material risk functions</li> </ul> <p>13. Heads of Core Management</p> <p>14. Identification of Senior Management</p> <p>15. MAS expected outcomes and practical implementation for FI (5 Objectives)</p> <p>16. Objective 1: Clear identification of senior management</p> <p>17. Objective 2: Senior managers fit and proper and held responsible</p> <p>18. Objective 3: Transparent management and reporting structure and enabling governance framework</p> <p>19. Objective 4: Requirements for employees of MRF</p> <p>20. Objective 5: Framework for employee conduct</p> <p>21. Responsibilities of Senior Managers &amp; Material Risk Functions</p> <p>22. Liabilities</p> <p>23. Dealing with core managers outside of Singapore</p> | <ul style="list-style-type: none"> <li>• Understand corporate governance rules and guidelines relating to fund management industry in Singapore.</li> <li>• Gain an understanding of MAS senior management requirements and individual accountability laws and regulations relevant to the fund management industry in Singapore.</li> </ul> |
|--|--|--|

|  |   |   |
|--|---|---|
|  | <p>24. Similar Regimes (UK, HK and Australia)</p> <p>25. What can be learnt from similar regimes (UK and HK)</p> <p>26. Steps to take now</p>   |   |
| <p>4. Introduction to MAS Regulation for Fund Managers</p> | <ol style="list-style-type: none"> <li>1. Singapore Regulation <ul style="list-style-type: none"> <li>- Regulatory Framework</li> </ul> </li> <li>2. Key Legislation related to fund management industry in Singapore</li> <li>3. Key Notices and Guidelines in Singapore</li> <li>4. Who needs MAS licensing?</li> <li>5. Banking Licenses</li> <li>6. Financial Advisors Licenses</li> <li>7. Key Criteria for Licensing – CMS License</li> <li>8. Types of Capital Markets Services Licenses <ul style="list-style-type: none"> <li>- Dealing in Capital Market Products</li> <li>- Advising on Corporate Finance</li> <li>- Fund Management</li> <li>- Product Financing</li> <li>- Providing Custodial Services for Securities</li> <li>- Real Estate Investment Trust Management</li> <li>- Providing Credit Rating Services</li> </ul> </li> <li>9. Categories of Fund Management Companies ["FMC"]</li> <li>10. Venture Capital Fund Manager</li> <li>11. Factors the MAS will consider</li> <li>12. Key Fund Management Activities <ul style="list-style-type: none"> <li>- Regulated Activities of Dealing</li> <li>- Employee Participation</li> </ul> </li> <li>13. Criteria of staffing for FMC <ul style="list-style-type: none"> <li>- Board of Directors</li> <li>- CEO &amp; Directors</li> <li>- Representatives</li> </ul> </li> <li>14. Fit and Proper Criteria for licensed persons</li> <li>15. Clientele of different FMCs</li> <li>16. What are Institutional Investors?</li> <li>17. Accredited Investors <ul style="list-style-type: none"> <li>- Opt-in Opt-out Requirements for Accredited Investors</li> </ul> </li> </ol> | <p>At the end of the module, participants will be able to:</p> <ul style="list-style-type: none"> <li>• Gain a general overview of applicable rules and regulations relevant for Fund Management Companies licensed or regulated by the Monetary Authority of Singapore.</li> <li>• Gain an awareness of laws and regulations relevant to the fund management industry in Singapore.</li> </ul> |

|   |   |  |
|---|---|--|
|   | <p>18. Responsibilities of the CEO and Directors</p> <p>19. Key Ongoing Requirements for FMC</p> <p>20. Financial Requirements</p> <p>21. Audit Requirements</p> <p>22. Reporting Requirements</p> <ul style="list-style-type: none"> <li>- Reporting to MAS</li> <li>- Notifications to the MAS by the FMC</li> <li>- Notifications by CEO, directors or Appointed Representatives</li> </ul> <p>23. Other Ongoing Obligations</p> <p>24. Reporting Fraud and Misconduct</p> <p>25. Risk Management Framework</p> <p>26. Key Internal Controls</p> <p>27. Keeping Books and Records (with cases)</p> <p>28. Conflicts of Interest</p> <p>29. Managing Conflicts</p> <p>30. Key Controls to Prevent Conflicts</p> <p>31. Money Laundering</p> <p>32. Stages of Money Laundering</p> <p>33. Terrorism Financing (with cases)</p> <p>34. Who is Responsible for AML / CFT?</p> <p>35. What are the Key AML Obligations in Singapore?</p> <p>36. CDD - Who Needs to Be Identified?</p> <p>37. Who are Customers of Fund Managers?</p> <p>38. What is Insider Dealing?</p> <p>39. Effect of Illegal Insider Dealing</p> <p>40. Bribery and Corruption</p> <p>41. Protection of Personal Data</p> <p>42. What are the key obligations?</p> <p>What Disciplinary Action can the MAS take?</p> |  |
| 5. Anti-Money Laundering and Countering the Financing of Terrorism in Singapore | <p>1. What is Money Laundering?</p> <p>2. Stages of Money Laundering? (with examples)</p> <p>3. What is Terrorist Financing? (with cases)</p> <p>4. Why is AML/CFT important?</p> <p>5. How is AML/CFT enforced?</p> <p>6. What penalties does the FATF Impose?</p>   | <p>At the end of the module, participants will be able to:</p> <ul style="list-style-type: none"> <li>• Understand Anti-Money Laundering and Countering Terrorism Financing (“AML/CFT”)</li> </ul> |

|  |  |  |
|--|--|--|
|  | <p>7. What do these penalties mean?</p> <p>8. What are sanctions?</p> <ul style="list-style-type: none"> <li>- UNSCRs</li> <li>- MAS implements UNSCRs through MAS regulations (Important legislation in Singapore)</li> <li>- OFAC</li> <li>- CFSP</li> <li>- OFSI</li> </ul> <p>9. Who do AML/CFT requirements apply to in Singapore?</p> <p>10. NRA conclusion on risk levels of different FIs in Singapore</p> <p>11. What AML/CFT laws apply in Singapore?</p> <ul style="list-style-type: none"> <li>- Notices &amp; Guidelines from MAS</li> </ul> <p>12. Who is responsible for AML/CFT?</p> <p>13. What are the key AML obligations in Singapore for fund managers?</p> <p>14. Customer or Client Due Diligence for Fund Managers</p> <p>15. KYC – Know Your Client</p> <p>16. Different Type of Due Diligence</p> <p>17. Different Types of Due Diligence</p> <p>18. Identification and Verification</p> <p>19. List Checking</p> <p>20. What is a Politically Exposed Person or a PEP</p> <p>21. Extra Tips for Dealing with PEPs</p> <p>22. Risks of Tax Evasion</p> <p>23. Monitoring of Clients as Part of Ongoing CDD</p> <p>24. Suspicious Transactions</p> <p>25. Reporting Suspicious Transactions</p> | <p>rules and regulations applicable to Financial Institutions in Singapore.</p> <ul style="list-style-type: none"> <li>• Understand the type of controls and procedures that are required to be implemented to have a robust system to detect and deter the flow of illicit funds through their organisation.</li> <li>• Understand AML/CFT requirements in Singapore and key concepts pertaining to customer due diligence for front office staff and licensed representatives carrying out front office duties.</li> </ul> |
|--|--|--|

|  |   |  |
|--|---|--|
| <p>6. Strengthening Cyber Resilience Singapore</p> | <ol style="list-style-type: none"> <li>1. Cyber Threats</li> <li>2. Security Challenges in the Financial Industry</li> <li>3. Rising Costs</li> <li>4. Phishing</li> <li>5. Data Theft</li> <li>6. Malware Attack</li> <li>7. MAS Notice on Cyber Hygiene</li> <li>8. Application of Notice</li> <li>9. Impact on Notice to FI's Operations</li> <li>10. Cyber Security Measures</li> <li>11. Administrative Accounts</li> <li>12. System Vulnerabilities</li> <li>13. Security Standards</li> <li>12. Network Perimeter Defense</li> <li>13. Malware Protection Measures</li> <li>14. Multi-factor Authentication</li> <li>15. Applicability of Multi-factor Authentication</li> <li>16. Technology Risk Management ("TRM")</li> <li>17. Business Continuity Management ("BCM")</li> <li>18. Cyber Hygiene Vs TRM</li> <li>19. How Cybersecurity is managed internally?</li> <li>20. Collective Prevention of Cyber Threats</li> </ol> | <p>At the end of the module, participants will be able to:</p> <ul style="list-style-type: none"> <li>• Gain an understanding of the new set of rules issued by MAS aimed at raising the cyber security standards and strengthening cyber resilience of Financial Institutions in Singapore.</li> <li>• Understand cyber threats, MAS Notice on Cyber Hygiene, impact to FI's operations, cyber hygiene practices which include administrative accounts, security patches, security standards, network perimeter defense, malware protection and multi-factor authentication, the integration of Cyber Hygiene, Technology Risk Management Guidelines and Business Continuity Management Guidelines, and how cyber security is managed internally.</li> <li>• Be kept abreast of the trends and developments of the relevant laws and regulations aimed at raising the cyber security standards and strengthening cyber resilience relating to their fund management business in Singapore.</li> </ul> |
|--|---|--|