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SC LICENSING EXAMINATION TERMS & CONDITIONS 2010

Issued in May 2010

1. MODULE COMBINATION FOR LICENCES AND REGISTRATION

It is vital for capital market professionals to have the relevant competencies to participate in the capital market. In relation to this, Capital Markets Services Representative's Licence (CMSRL) applicants and candidates for head of operations, head of compliance, compliance officers and local participants are required to pass the relevant examinations as prescribed in the Licensing Handbook.

The combination of examinations applicable for the respective regulated activities and/or candidates for head of operations, head of compliance, compliance officers and local participants are as follows:

Table 1: Combination of Examinations

Dealing in Securities	<p>Dealing in securities</p> <ul style="list-style-type: none"> Applicants must pass the SC Licensing Examination: Modules 6 & 7 or 6 & 18 or 7 & 17 or 17 & 18. <p>Dealing in unlisted debt securities only</p> <ul style="list-style-type: none"> Applicants who are certified by Financial Markets Association or Persatuan Pasaran Kewangan Malaysia (PPKM) as eligible. 	Head of operations	<ul style="list-style-type: none"> Candidates must pass the SC Licensing Examination - Modules 6 & 7 or 6 & 18 or 7 & 17 or 17 & 18.
Trading in Futures Contracts	<ul style="list-style-type: none"> Applicants must pass the SC Licensing Examination: Modules 14 & 16 or 17 & 18 or 14 & 17 or 16 & 18. 	Head of compliance and compliance officer	<p>Candidates must pass the SC Licensing Examination - Module 11 and the relevant modules as determined by the regulated activities of his principal:</p> <ul style="list-style-type: none"> Dealing in securities - Modules 6 & 7 or 6 & 18 or 7 & 17 or 17 & 18; Trading in futures contracts - Modules 14 & 16 or 17 & 18 or 14 & 17 or 16 & 18; and Fund management - Modules 9 & 10. <p>Where a principal has a head of compliance and one or more compliance officers, the requirement for all the relevant modules can be satisfied collectively by all of them.</p>
Fund Management	<ul style="list-style-type: none"> Applicants must pass the SC Licensing Examination: Modules 9 & 10. 		
Advising on Corporate Finance	<ul style="list-style-type: none"> Applicants must pass the SC Licensing Examination: Modules 12 & 19 or 12, 19A & 19B. 		
Investment Advice	<ul style="list-style-type: none"> Applicants must pass the SC Licensing Examination: Modules 12 & 19 or 12 & 19A. 		
Financial Planning	<ul style="list-style-type: none"> No specific licensing examination required. 	Local participant	<ul style="list-style-type: none"> Candidates must pass the SC Licensing Examination: Modules 14 & 16 or 17 & 18 or 14 & 17 or 16 & 18

2. EXAMINATION MODULES

- Securities Industry Development Corporation (SIDC) offers multiple choice question examinations for individuals wishing to undertake one or more regulated activities under a CMSRL.

Table 2: Description of Examination Modules

MODULE	DESCRIPTION	NO. OF QUESTIONS	DURATION (MINUTES)	PASS MARK %
6	Stock Market and Securities Law	60	90	60
7	Financial Statement Analysis and Asset Valuation	60	90	60
9	Funds Management Regulation	30	60	60
10	Asset and Funds Management	30	60	60
11	Fundamentals of Compliance	40	60	70
12	Investment Management and Corporate Finance	60	90	70
14	Futures & Options	60	90	70
16	Rules & Regulations of Futures and Options	80	120	70
17	Securities and Derivatives Trading (Rules and Regulations)	100	150	70
18	Securities and Derivatives Trading (Products and Analysis)	100	150	70
19	Advisory Services (Rules and Regulations)	60	90	70
19A	Advisory Services (Rules and Regulations) - Part A	40	60	70
19B	Advisory Services (Rules and Regulations) - Part B	30	60	70

- The study outlines published by SIDC are designed to assist candidates in their preparation for the licensing examinations and are correct at the time of print. Study outlines for respective modules are downloadable at www.sidc.com.my. Upon request, SIDC may courier the study outline to candidates. Standard courier charges apply.
- SIDC reserves the right to amend the study outlines from time to time as it deems appropriate.
- Given the rapid developments of the Malaysian capital market and the consequential changes in its regulations, **candidates are advised to update themselves with the relevant changes before attempting the examinations.**
- In the event of any amendments to financial reporting standards, contract specifications, acts, guidelines, rules and regulations, candidates will be tested on the previous financial reporting standards, contract specifications, acts, guidelines, rules and regulations for a period **not exceeding one (1) month** from the effective date of the amendments.
- The SC licensing examination is a computer-based examination (CBE) and the simulation for the CBE system is accessible at www.sidc.com.my. The simulation is intended to assist candidates in familiarising themselves with the format of the CBE system and consist of sample questions of all the modules. Candidates are encouraged to attempt the simulation prior to their actual examinations.
- Selected reference materials can be purchased at the SIDC shop.

3. REGISTRATION

- Candidates must provide all details as required in the SC Licensing Examinations Form.
- Registration will only be processed upon receipt of the:
 - Completed SC Licensing Examinations Form with the original signature of the candidate; and
 - Full payment of the examination fees.
 Incomplete or faxed forms will not be processed.
- Registration can be done in person or by mail as follows:
 - Walk-in registrations are accepted at the SIDC shop. The business hours at the SIDC shop (Ground Floor, SC Building) are:
 - Mondays - Thursdays : 8.30 am - 4.30 pm
 - Fridays : 8.30 am - 4.30 pm (closed from 12.30 pm - 2.30 pm)
 - Closed on weekends and public holidays
 - For registration by mail, the completed SC Licensing Examinations Form and payment should be sent to **Professional Education & Services, Securities Industry Development Corporation, 3 Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur.**
- The closing date for registration is **three (3) full working days** (excluding weekends and public holidays) prior to the date of the examination (refer to Examination Schedule for last registration date) and is subjected to seats availability.

- SIDC reserves the right to reject any application if the form and/or details submitted are incomplete or inaccurate although payment has been made and receipts have been issued.
- Seats are limited and registration is on a first-come, first-served basis.
- Notwithstanding anything stated in these terms and conditions to the contrary, SIDC reserves the right to cancel, suspend, interrupt or reschedule any examination to another date and will not be liable for any claims, actions, costs, charges, expenses, damages, loss and liability due to the cancellation/deferment of the examinations.

4. EXAMINATION FEES & PAYMENT

- The examinations fees for the respective modules are as follows:

Table 3: Examination Fees

MODULE	DESCRIPTION	FIRST SITTING	RE-SITTING
		Exam Fee (RM)	Exam Fee (RM)
6	Stock Market & Securities Law	200.00	100.00
7	Financial Statement Analysis and Asset Valuation	200.00	100.00
9	Funds Management Regulation	200.00	100.00
10	Asset and Funds Management	200.00	100.00
11	Fundamentals of Compliance	200.00	100.00
12	Investment Management and Corporate Finance	200.00	100.00
14	Futures & Options	200.00	100.00
16	Rules & Regulations of Futures & Options	200.00	100.00
17	Securities and Derivatives Trading (Rules and Regulations)	300.00	200.00
18	Securities and Derivatives Trading (Products and Analysis)	300.00	200.00
19	Advisory Services (Rules and Regulations)	200.00	100.00
19A	Advisory Services (Rules and Regulations) - Part A	200.00	100.00
19B	Advisory Services (Rules and Regulations) - Part B	200.00	100.00

- The payment terms for the examination fees are as follows:
 - Payment can be made by cash, credit card (Master and Visa only), cheque, bank draft or money order.
 - Credit card payment is only accepted for walk-in candidates at the SIDC shop.
 - Post-dated cheque is not accepted.
 - Cheque, bank draft or money order should be crossed and made payable to **SECURITIES INDUSTRY DEVELOPMENT CORPORATION**.
 - Candidates who make payment by personal cheques must ensure that there are sufficient funds in their bank accounts. Candidates whose cheques are “bounced” will bear all charges incurred by SIDC in processing these cheques and will be barred from the examinations for such period as determined by SIDC.

5. DEFERMENT

- Candidates may defer the date of their registered examination at a fee of **RM50** per module.
 - The payment and completed SC Licensing Examinations Form must be received by SIDC not later than **five (5) full working days** (excluding weekends and public holidays) prior to the date of the examination, failing which the examination fee for the said module shall be forfeited (refer to Examination Schedule for last deferment date).
 - Candidates must state their preferred new date for the examination in the form. Otherwise, the form will be treated as incomplete and shall not be processed.
 - Deferment will only be processed upon receipt of the:
 - Completed SC Licensing Examinations Form with original signature of the candidate; and
 - Full payment of the prescribed fee for deferment.
- Incomplete or faxed forms will not be processed.

6. CANCELLATION

- Candidates may cancel their registered examination at a penalty fee of **RM100** per module.
- The completed SC Licensing Examinations Form must be received by SIDC not later than **five (5) full working days** (excluding weekends and public holidays) prior to the date of the examination, failing which the examination fee for the said module shall be forfeited (refer to Examination Schedule for last cancellation date).
- SIDC will refund the balance of the examination fee (if any), after deducting the penalty for cancellation.
- Cancellation shall be confirmed only upon SIDC's receipt of the completed SC Licensing Examinations Form with the original signature of the candidate.

7. RESIGNATION (FOR CANDIDATES SPONSORED BY COMPANY)

- Should a candidate sponsored by a company resign, the company must provide **an original written notice** to SIDC no later than **five (5) full working days** (excluding weekends and public holidays) prior to the date of the examination. A photocopy or faxed copy of the company's written notice will not be accepted.
- In this circumstance, a penalty fee of **RM100** per module will be imposed and the balance of the examination fee (if any) will be refunded to the company.
- Companies are not allowed to replace candidates for any examination.

8. ABSENTEEISM

- Candidates who are unable to attend the examination, for whatever reason, will be deemed as "ABSENT".
- Failure to attend the examination will result in the registration fee being forfeited.
- In the event a candidate is unable to attend the examination for medical reasons, the candidate is allowed to defer the examination to another date with a penalty fee of **RM50** per module. The original (or certified true copy) of the medical certificate, together with completed SC Licensing Examinations Form with original signature of the candidate and the full payment, must be received by SIDC within **three (3) full working days** from the date of the examination.
- In the event of absenteeism due to death of an immediate family member (spouse, child, parent, parent-in-law, grandparent, brother, sister only) occurring within **seven (7) days** prior to the examination date, the candidate is allowed to defer the examination to another date. All the following documents must be received by SIDC within **five (5) full working days** from the date of the examination.
 - A copy of the death certificate;
 - A written notice from the candidate indicating the relationship between the candidate and the deceased; and
 - Completed SC Licensing Examinations Form with original signature of the candidate

9. DISCIPLINARY ACTION

- If a candidate is found cheating during an examination or found engaged in any form of misconduct, he/she may be **banned** for life or for a specified period of time from sitting for **ALL** SC licensing examinations.
- Cheating offences shall include, but is not limited to the following:
 - Talking to another candidate during examination
 - Looking at another candidate's answers
 - Bringing in unauthorised notes or devices during examination
 - Soliciting confidential information relating to licensing examination
 - Providing answers or assistance to another candidate during examination
 - Any other action deemed as cheating
- Failure to comply with any of the examination terms and conditions may result in stern action being taken against the candidates.

10. EXAMINATION RESULT

- Candidates will be given an official and **FINAL** examination result upon the completion of the examinations provided there is no interruption (refer to item 11: Examination Interruption) during the examination.
- In the event of Examination Interruption (refer to item 11: Examination Interruption), for candidates who attempt the examinations using pen and paper, the candidates' official results shall be available as follows:
 - (i) the examination results will be posted via normal mail to candidates by the **eight (8th) working day** from the date of the examination or from the last date of examinations if the examinations are held outside of Kuala Lumpur; or
 - (ii) the examination results shall be ready for collection at the SC Building on the **eight (8th) working day** from the date of the examination or from the last date of examinations if the examinations are held outside of Kuala Lumpur. Candidates who wish to collect their official results shall give a written notice or complete the relevant form and submit to the SIDC Examinations on the day of the examination
- The examination result will be graded and released as either "PASS" or "FAIL" and will show the score.
- No examination result shall be issued to candidates deemed **ABSENT**.
- The examination result **will NOT be released over the telephone, fax or any other electronic medium** to any candidates or third parties.
- Should a candidate's examination is sponsored by the employer, SIDC reserves the right to release the examination results to the candidate's employer without seeking prior consent from the candidate.
- Candidates may request for a duplicate copy of the examination result slips by submitting the Duplicate Examination Result Slip/Performance Analysis Form to SIDC and a fee of **RM20** will be charged for each module. Requests for duplicate result slips will only be processed upon receipt of the completed Duplicate Examination Result Slip/Performance Analysis Form with the original signature of the candidate, together with payment (where applicable).
- Requests for performance analysis can be made to SIDC within **six (6) months** from the date of the examination. Candidates may request for performance analysis by submitting the Duplicate Examination Result Slip/Performance Analysis Form to SIDC with a non-refundable fee of **RM75** per module. The performance analysis will indicate the candidate's performance (in terms of range of percentage) in each section as per the table on maximum composition of questions in the respective module's study outline.
- Appeals shall be made to SIDC within **two (2) months** from the date of the examination. Appeal letters shall be submitted to SIDC with a non-refundable fee of **RM75** per module. The examination result will be reviewed and released as either "PASS" or "FAIL" only.
- The official examination result graded as "PASS" is valid for **two (2) years** from the date of the examination of that particular module.

11. EXAMINATION INTERRUPTION

- SIDC will take all reasonable steps and precautions to ensure that the examinations are conducted without any interruptions.
- In a situation where the examinations are interrupted due to unforeseen circumstances and/or circumstances beyond SIDC's control (power failure, computer breakdown, etc), candidates are required to follow instructions given by invigilators. Candidates will be notified of any alternative arrangements which may include, but not limited to, time extension for the examination. In this regard, candidates are advised to make an allowance of additional four (4) hours in making travel arrangements.

12. PRESCRIBED REFERENCE MATERIALS (PRMs)

- Candidates are allowed to bring in and refer to their own PRMs as indicated in Table 4 for all Regulations modules; namely Modules 6, 9, 11, 16, 17, 19, 19A and 19B.
- The PRMs brought into the examination centre are subject to the following:
 - The PRMs must **NOT** contain any markings (e.g. highlights, written notes, underlines, attachments, drawings, folding, etc). However, only highlights, underlines and updates due to amendments to any provision are permitted. The PRMs which do not meet the above requirements will **NOT** be allowed as references during the examination;
 - Candidates are strictly **PROHIBITED** from marking the PRMs (e.g. highlighting, writing, underlining, drawings, folding etc) during the examination; and
 - The invigilators have the right to inspect all PRMs before, during and after the examinations.

Table 4: Prescribed Reference Materials and its Amendments

Examination Modules		PRMs and Amendments
Module 6	Stock Market & Securities Law	<ol style="list-style-type: none"> 1. Capital Market and Services Act 2007 2. Securities Commission Act 1993 3. Listing Requirements <ul style="list-style-type: none"> - Bursa Malaysia Securities Berhad Main Market Listing Requirements - Bursa Malaysia Securities Berhad ACE Market Listing Requirements 4. Rules <ul style="list-style-type: none"> - Bursa Malaysia Securities Berhad - Bursa Malaysia Securities Clearing Sdn Bhd 5. Guidelines <ul style="list-style-type: none"> - Guidelines on Market Conduct and Business Practices for Stockbrokers and Licensed Representatives - Guidelines on Prevention on Money Laundering and Terrorism Financing for Capital Market Intermediaries 6. Licensing Handbook
Module 9	Funds Management Regulation	<ol style="list-style-type: none"> 1. Capital Market and Services Act 2007 2. Securities Commission Act 1993 3. Guidelines <ul style="list-style-type: none"> - Guidelines on Compliance Function for Fund Managers - Guidelines for Public Offerings of Securities of Closed-end Funds - Guidelines for the Establishment of Foreign Fund Management Companies - Guidelines on Reporting Requirements for Fund Managers - Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries - Guidelines on Wholesale Funds - Guidelines on Unit Trust Funds 4. Licensing Handbook
Module 11	Fundamentals of Compliance	<ol style="list-style-type: none"> 1. Bursa Malaysia Securities Berhad/MESDAQ Market Joint Guidelines for Compliance Officers 2. Compliance Guidelines for Futures Brokers 3. Guidelines on Chinese Walls for Dealers and Futures Brokers 4. Guidelines on Unit Trust Funds 5. Rules of Bursa Malaysia Securities Berhad 6. Rules of Bursa Malaysia Derivatives Berhad
Module 16	Rules and Regulations of Futures and Options	<ol style="list-style-type: none"> 1. Capital Market and Services Act 2007 2. Securities Commission Act 1993 3. Rules <ul style="list-style-type: none"> - Rules of Bursa Malaysia Derivatives Berhad 4. Guidelines <ul style="list-style-type: none"> - Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries 5. Licensing Handbook
Module 17	Securities and Derivatives Trading (Rules and Regulations)	<ol style="list-style-type: none"> 1. Capital Market and Services Act 2007 2. Securities Commission Act 1993 3. Listing Requirements <ul style="list-style-type: none"> - Bursa Malaysia Securities Berhad Main Market Listing Requirements - Bursa Malaysia Securities Berhad ACE Market Listing Requirements 4. Rules <ul style="list-style-type: none"> - Bursa Malaysia Securities Berhad - Bursa Malaysia Securities Clearing Sdn Bhd - Bursa Malaysia Derivatives Berhad 5. Guidelines <ul style="list-style-type: none"> - Guidelines on Market Conduct and Business Practices for Stockbrokers and Licensed Representatives - Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries 6. Licensing Handbook
Module 19	Advisory Services (Rules and Regulations)	<ol style="list-style-type: none"> 1. Capital Market and Services Act 2007 2. Licensing Handbook 3. Guidelines, Codes and Practice Notes <ul style="list-style-type: none"> - Equity Guidelines - Principal Adviser Guidelines - Guidelines on Due Diligence Conduct for Corporate Proposals - Malaysian Code of Take-Overs and Mergers - Asset Valuation Guidelines - Prospectus Guidelines - Guidelines on the Offering of Private Debt Securities - Guidelines on the Offering of Asset-Backed Securities

Examination Modules		PRMs and Amendments
		<ul style="list-style-type: none"> - Guidelines on the Offering of Islamic Securities - Guidelines on the Offering of Structured Products - Issuer Eligibility Guidelines - Structured Warrants (<i>effective June 2010</i>) 4. Listing Requirements <ul style="list-style-type: none"> - Bursa Malaysia Securities Berhad Main Market Listing Requirements - Bursa Malaysia Securities Berhad ACE Market Listing Requirements
Module 19A	Advisory Services (Rules and Regulations) - Part A	1. Capital Market and Services Act 2007 2. Licensing Handbook 3. Guidelines, Codes and Practice Notes <ul style="list-style-type: none"> - Equity Guidelines - Principal Adviser Guidelines - Malaysian Code of Take-Overs and Mergers 4. Listing Requirements <ul style="list-style-type: none"> - Bursa Malaysia Securities Berhad Main Market Listing Requirements - Bursa Malaysia Securities Berhad ACE Market Listing Requirements
Module 19B	Advisory Services (Rules and Regulations) - Part B	1. Guidelines, Codes and Practice Notes <ul style="list-style-type: none"> - Equity Guidelines - Guidelines on Due Diligence Conduct for Corporate Proposals - Asset Valuation Guidelines - Prospectus Guidelines - Guidelines on the Offering of Private Debt Securities - Guidelines on the Offering of Asset-Backed Securities - Guidelines on the Offering of Islamic Securities - Guidelines on the Offering of Structured Products - Issuer Eligibility Guidelines - Structured Warrants (<i>effective June 2010</i>)

- SIDC will **CONFISCATE** any of the candidate's PRMs which do not conform to SIDC's requirements and/or unauthorised PRMs for a particular module.
- The complete and updated PRMs for the respective modules are available at the SC library for candidates' reference.
- The reference materials listed in the study outlines shall not in any way limit the scope of the examination questions and candidates are advised to continually update themselves and not solely rely on the references listed when sitting for the examinations.
- Candidates are advised to purchase or download the relevant acts, guidelines and business rules to assist them in their studies.
- In reference to changes on rules and regulations:
 - Changes and amendments to the business rules and listing requirements of Bursa Malaysia can be obtained from the Bursa Malaysia website www.bursamalaysia.com.
 - Changes to guidelines issued by the SC are announced via press release and can be obtained from the SC website www.sc.com.my.
- Candidates are advised to refer to the SIDC website www.sidc.com.my for latest developments pertaining to licensing examinations.
- Selected reference materials (acts, guidelines, rules, study guides etc.) can be purchased from the SIDC shop. **First sitting candidates are entitled to purchase the relevant study guide(s) at a 20% discount.** (Please refer to the www.sidc.com.my for the latest price list).

GENERAL RULES FOR SC LICENSING EXAMINATIONS

Admission

- Candidates are advised to arrive early at the examination centre before the start of the examination.
- Candidates will NOT be admitted to the examination centre **30 MINUTES** after the start of an examination.
- Candidates will NOT be allowed to leave the examination centre within the first **30 MINUTES** of an examination.
- Candidates must sit at the designated seats.
- Candidates are **REQUIRED** to bring original and valid identification i.e.
 - **NRIC (Malaysian)**
 - **Passport (Foreigner only)**Those who fail to produce such identification will not be allowed to sit for the examination.
- Candidates are only allowed to place their non-programmable electronic calculators (provided it is battery-powered, silent in operation and without print-out or graphic/word display functions) and valid identification on the table. Calculators brought into the examination centre are subject to inspection. Below are some examples of the calculator models which are allowed to be used during the examinations:
 - Texas Instruments BA II Plus
 - Hewlett Packard [HP 12C](#)
 - Casio FX100AU
- Candidates are **NOT ALLOWED** to:
 - bring in any stationery. Pencils/Markers and blank papers will be provided by SIDC during the examination.
 - switch on their pagers, mobile phones, PDA or any other electronics devices (except non-programmable calculator). All equipments must be switched off before entering the examination centre. All personal and study items must be placed at the designated areas during the examination.
 - drink, eat or smoke during the examination.
 - wear round neck T-shirt, slippers, jeans or sport shoes into the examination centre. The examination dress code is **office attire**.
- All devices and purses/wallets/valuable items are to be placed in the plastic bag provided by SIDC and to be kept at the candidates' respective drawers or as per invigilator's instructions. All other personal and study items must be placed at the designated area during the examination.
- Invigilators reserve the right to confiscate items deemed prohibited during the examination.
- SIDC and SC will not be liable for any personal injury to the candidate or loss, theft or damage of personal property of the candidate during the examination or while in the examination centre.

During the examination

- Candidates must observe strict silence, remain seated at all times and raise hands if assistance is required.
- Should an emergency alarm be raised during the examination, candidates should await and adhere to further instructions from the invigilator.

At the end of the examination

- Candidates are not allowed to remove any stationery supplied by SIDC from the examination centre.
- Candidates must proceed to wait at the designated waiting area for the collection of their examination result slips.

ENQUIRIES

Any enquiries pertaining to examinations should be sent to:

Professional Education & Services
Securities Industry Development Corporation
3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

Tel : 03-6204 8625/ 03- 6204 8665

Fax: 03-6201 8008/03-6204 8390

E-mail: sidc@sidc.com.my

COMMENTS AND SUGGESTIONS

SIDC welcomes constructive comments and suggestions. You can send them to:

Chief Executive Officer
Securities Industry Development Corporation
3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

Fax: 03-6201 5112

E-mail: sidc@sidc.com.my