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FAMILIARISATION PROGRAMME FOR TRADING REPRESENTATIVES 1 (FPTR1) ASSESSMENT OUTLINE

**For August to December 2020 FPTR1 Assessments
(Issued in July 2020)**

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(This document consists of 7 pages including the cover page)

FAMILIARISATION PROGRAMME FOR TRADING REPRESENTATIVE 1 (FPTR1) ASSESSMENT OUTLINE

This assessment is designed to test a candidate's knowledge and understanding of the Malaysian securities markets. It is the assessment to be passed by individuals who intend to be registered as a Trading Representative (TRs) to act on behalf of a Participating Organisation (PO).

Candidates are advised to refer to the Licensing Handbook for detailed requirements to become a Trading Representative.

Candidates are expected to possess good knowledge and understanding of the subject matter provided in this study outline and specified references. It is estimated that this module will require a minimum of 80 hours of self-study time (including 5.5 hours recommended learning hours to complete the 11 modules in the eFPTR 1 Learning Programme or attend the FPTR1 Revision Programme). Candidates may need less or more depending on their education background and work experience and will be given at least two (2) months access to the eFPTR1 Learning Programme.

Candidates are expected to update themselves with the latest developments in this assessment as all questions will be continuously updated to reflect these changes. Candidates are permitted to refer to their own prescribed reference materials during the assessment. Note that no prescribed reference materials will be provided by the Securities Industry Development Corporation (SIDC). The prescribed reference materials brought into the assessment by candidates are subject to the terms and conditions of SIDC, details of which are set out in the terms and conditions of the FPTR1.

The prescribed reference materials for Day 1 which are allowed to be brought in for the assessment are as follows:

- **Securities Commission Malaysia Act 1993**
- **Capital Markets and Services Act 2007**
- **Rules of Bursa Malaysia Securities Berhad**
- **Bursa Malaysia Securities Berhad Participating Organisations' Trading Manual**
- **Rules of Bursa Malaysia Securities Clearing Sdn Bhd**
- **Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries**
- **Guidelines on Market Conduct and Business Practices for Stockbrokers and Licensed Representatives**
- **Licensing Handbook**
- **Personal Data Protection Act 2010**

Candidates are required to comply with the terms and conditions of of the SIDC on the conduct of the assessment. Severe penalties will be taken against candidates for any misconduct during the examination.

ASSESSMENT STRUCTURE

Details of the assessments are as follows:

Types of Questions	Multiple-Choice
Number of Questions	50 questions
Passing Mark	60%
Time Allocated	1 hour 30 minutes
References /Text	<ul style="list-style-type: none"><input type="checkbox"/> Securities Commission Malaysia Act 1993<input type="checkbox"/> Capital Markets and Services Act 2007<input type="checkbox"/> Rules of Bursa Malaysia Securities Berhad<input type="checkbox"/> Bursa Malaysia Securities Berhad Participating Organisations' Trading Manual<input type="checkbox"/> Rules of Bursa Malaysia Securities Clearing Sdn Bhd<input type="checkbox"/> Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries<input type="checkbox"/> Guidelines on Market Conduct and Business Practices for Stockbrokers and Licensed Representatives<input type="checkbox"/> Licensing Handbook<input type="checkbox"/> Personal Data Protection Act 2010

REFERENCES

The relevant references (acts, guidelines, study guides and etc.) for this examination can be obtained from Securities Commission Malaysia website at www.sc.com.my. [The relevant acts for this examination may be](#) purchased from:

SIDC Shop

Ground Floor, 3 Persiaran Bukit Kiara

Bukit Kiara

50490 Kuala Lumpur

Tel: (603) 6204 8665/8667

The Rules of Bursa Malaysia Securities Berhad and Rules of Bursa Malaysia Securities Clearing Sdn Bhd are accessible via the Bursa Malaysia Securities Berhad website at www.bursamalaysia.com. The Personal Data Protection Act 2010 is accessible at www.pdp.gov.my

For more information, please visit the SIDC website at www.sidc.com.my.

LEARNING OBJECTIVES

For the assessment, candidates are expected to be able to:

- Describe the general overview of the Malaysian securities markets and its main participants
- Explain the regulatory structure of the securities industry in Malaysia
- Explain the main laws and regulations governing the operation of the securities industry in Malaysia
- Illustrate the relationship between the stockbroking company, licensed representative, trading representatives and clients
- Describe the activities and current trends connected to money laundering and terrorism financing and the Malaysian regulatory approach towards them
- Outline the licensing requirements and obligations of person(s) who carries (carry) on the business of dealing in securities and their representatives
- Define various securities offences and description of how they are regulated
- Describe the operations of the stock market in Malaysia
- Recognise the uses of financial statements and its significance in financial and investment analysis
- Identify essential elements of financial statements which are used in carrying fundamental analysis
- Explain the features, characteristics and risk associated to various capital market products.

ASSESSMENT SYLLABUS

The syllabus for this assessment is divided into 11 modules as below:

MODULE	DESCRIPTIONS
Module 01	Introduction to the Securities Markets <ul style="list-style-type: none">• Overview of the Securities Markets• The Stock Market and Stock Exchange• The Stock Indices• Primary and Secondary Market• Main Market, ACE Market and LEAP Market• Introduction to the Islamic Capital Market (ICM)
Module 02	Regulatory Framework of the Securities Market <ul style="list-style-type: none">• Securities Industry Laws• Regulatory Bodies in the Securities Market• Regulated Activities

MODULE	DESCRIPTIONS
Module 03	<p>Relationship between Participating Organisations (POs), CMSRLs, Trading Participants and Clients</p> <ul style="list-style-type: none"> • Rules Governing the Relationship between POs, CMSRLs, Trading Participants and Clients • POs' Duties to Clients and obligations of TRs
Module 04	<p>Anti-Money Laundering and Protection of Clients' Information</p> <ul style="list-style-type: none"> • Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries • Protection of Client's Information
Module 05	<p>Negligent Misstatement</p> <ul style="list-style-type: none"> • Negligence and statement • Precondition for liability • Statutory liability • Reasonable basis and the "Know Your Client" rule
Module 06	<p>Licensing Handbook</p> <ul style="list-style-type: none"> • Licensing Framework • Licencing Requirements • Obligations of the Licensed Person • Dealer's Representative (DRs) • Trading Representatives (TRs)
Module 07	<p>Types of Securities Offences</p> <ul style="list-style-type: none"> • Short Selling • Market Misconduct and Other Prohibited Conduct <ul style="list-style-type: none"> ○ Short Selling ○ False Trading and Market-rigging Transactions ○ Stock Market Manipulations ○ False or Misleading Statements in Relation to Securities ○ Fraudulently Inducing Persons to Deal in Securities ○ Use of Manipulative and Deceptive Devices ○ Dissemination of Information about Illegal Transactions ○ Person in Possession of Inside Information ○ Market Abuses and Unethical Business Conduct • Clients' Rights and Penalties for Contravention
module 08	<p>Trading on Bursa Malaysia</p> <ul style="list-style-type: none"> • Central Depository System (CDS) • Automated Trading System (ATS) • Delivery and Settlement • Trading Phases and Market Timing • Order Types and Validity Types • Margin Account and Margin Financing • The Fixed Delivery & Settlement System (FDSS)

MODULE	DESCRIPTIONS
	<ul style="list-style-type: none"> • Delivery and Settlement Time for On-Market Transactions and Direct Business Transactions • Circuit Breaker and Trading Halts
Module 09	<p>Introduction to Financial Statement Analysis</p> <ul style="list-style-type: none"> • Importance of Financial Statement Analysis • Relationship between Share Price and Company Profits <p>Introduction to Financial Statements</p>
Module 10	<p>Elements of Financial Statements</p> <ul style="list-style-type: none"> • Introduction to the Balance Sheet/Statement of Financial Position • Items in the Balance Sheet/Statement of Financial Position • Introduction to Income Statement/Statement of Comprehensive Income • Introduction to Statement of Changes in Equity or Comprehensive Income/Statement of Changes in Equity • Introduction to Cash Flow Statements/Statement of Cash Flows
Module 11	<p>Introduction to Capital Market Products and Services (Features, Characteristics and Risks)</p> <ul style="list-style-type: none"> • Equity - Ordinary Shares, Warrants • Fixed Income - Government Bonds, Private Debt Securities • Hybrid Securities - Preference shares, Convertible bonds, Structured Products • Money Market Instrument - Treasury Bills, Negotiable Instruments of Deposit (NIDs), Bank Negara Monetary Notes • Investment Products - Private Retirement Scheme, Unit trust, Real Estate Investment Trust