

# Certified **Capital Market** Professional Programme



MyCoID:765264K

# DEALING IN DERIVATIVES FOR DEALER'S REPRESENTATIVE

*(A Revised Structure of the Former **Dual Licensing Fast Track (DLFT) Programme**)*

**HRD CORP REGISTERED COURSE/PROGRAMME NO: 10001162894**

## PROGRAMME OVERVIEW

The Certified Capital Market Professional: Dealing in Derivatives for Dealer's Representative programme (CCMP - Dealing in Derivatives), previously known as Dual Licensing Fast Track Learning Programme (DLFT) comprises of the following three (3) components: (i) e-learning programme, (ii) trading simulation and (iii) assessment.

The CCMP - Dealing in Derivatives eLearning Programme, is a self-directed e-learning programme offered via the SIDC Learning and Assessment Management System (LAMS) platform comprising of six (6) modules. The CCMP - Dealing in Derivatives eLearning Programme is designed as a learning tutorial covering the knowledge and skills relevant for qualified Capital Markets Services Representative's License (CMSRL) holders for dealing in securities, who are seeking to be additionally licensed for dealing in derivatives. The CCMP - Dealing in Derivatives Trading Simulation which is also offered via the SIDC LAMS platform, will provide candidates with the opportunity to apply and practice what they have learned as it mirrors the actual trading platform.

Upon completion of the e-learning programme and the trading simulation in accordance to the number of modules, recommended learning and simulation hours, participants will be better prepared to undertake the assessment. Candidates must complete the e-learning programme component and the trading simulation before being allowed to access the assessment.

## PROGRAMME OBJECTIVE

The programme aims to assist the participants towards becoming competent Capital Markets Services Representative's License (CMSRL) holders for dealing in derivatives by facilitating the acquisition of knowledge, understanding and abilities of the prescribed learning outcomes and learning areas covered in the Programme Outline.

## LEARNING OUTCOMES

Upon completion of this e-learning programme, participants will be able to:

- describe basic concept and mechanism of derivatives market;
- identify key features, users and risks associated with investing in derivatives market;
- explain the dealing in derivatives offences in relation to Capital Markets and Services Act 2007 (CMSA) and Guideline on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market;
- describe the key components, features and the risks and benefits involved in trading with futures, options, CFD, forward and options contracts;
- apply appropriate strategies in trading futures, options, forward, swaps and CFD;
- determine appropriate charts, fundamental and technical indicators to interpret price movement and volume as well as the impact of economy, monetary and fiscal policies in derivative trading;
- explain the trading and settlement process in derivatives;
- implement Know Your Client (KYC) procedures in derivatives trading; and
- explain the ways to manage derivatives deals in line with the rules and regulations of derivatives trading.



## COMPETENCIES

- Core - Risk Management (Proficiency Level 3)
- Foundational (Regulatory) - Capital Market Intermediaries (Proficiency Level 3)
- Foundational (Regulatory) - Capital Market Institutions (Proficiency Level 3)
- Foundational (Product) - Capital Market Products (Proficiency Level 3)
- Foundational (Regulatory) - Anti-Money Laundering (Proficiency Level 3)
- Functional (Process) - Know Your Client (Proficiency Level 3)
- Functional (Process) - Derivatives Dealing (Proficiency Level 3)
- Functional (Process) - Settlement of Derivatives Deals (Proficiency Level 3)
- Functional (Technical) - Technical Analysis (Proficiency Level 3)
- Functional (Technical) - Fundamental Analysis (Proficiency Level 3)
- Functional (Technical) - Market Analysis (Proficiency Level 3)
- Functional (Technical) - Valuation (Proficiency Level 3)



## PROGRAMME METHODOLOGY AND COMPONENTS

The Certified Capital Market Professional: Dealing in Derivatives for Dealer's Representative programme is conducted online via SIDC's Learning and Assessment Management (LAMS) platform and comprises the following three (3) components:

- (i) e-Learning Programme: Total Recommended Learning Hours is 8 hours (480 minutes)
- (ii) Trading Simulation Programme: Total Recommended Simulation hours is 0.5 hours (30 minutes)
- (iii) Assessment (Online with Remote proctoring)

## PROGRAMME ENTRY REQUIREMENTS

Minimum two (2) years of experience as Capital Markets Services Representative's Licence (CMSRL) holder for Dealing in Securities.

## PROGRAMME COMPLETION REQUIREMENTS

Completion of the programme is upon fulfillment of the requirements below:

- (i) Completion of the e-learning programme;
- (ii) Completion of the trading simulation; and
- (iii) Passing the programme assessment

## PROGRAMME DURATIONS

- i. e-Learning Programme: Total Recommended Learning Hours is 8 hours (480 minutes) and comprises the following 6 modules:

Module	Title	Recommended Learning Hours
Module 1	Overview to Derivatives	1 hour (60 minutes)
Module 2	Futures	1.5 hours (90 minutes)
Module 3	Options	2 hours (120 minutes)
Module 4	Over-the-Counter Derivatives: CFD, Forward and Swaps Contracts	1.5 hours (90 minutes)
Module 5	Technical and Fundamental Analysis	0.5 hours (30 minutes)
Module 6	Derivatives Regulatory Requirements, Trading and Settlement	1.5 hours (90 minutes)

- ii. Trading Simulation Programme: 0.5 hours (30 minutes)
- iii. Assessment (*online with remote proctoring*): 1 hour (60 minutes)

# E-LEARNING PROGRAMME OUTLINE

## Module 1: Overview to Derivatives

### OVERVIEW

Overview of the Derivatives Market is the first module of the Certified Capital Market Professional: Dealing in Derivatives for Dealer's programme. Participants will discover the concept of derivatives, uses of derivatives instruments and risk associated in the derivatives market in this module.

This module consists of two (3) topics:

1. Overview of the Derivatives Market
2. Exchange Traded Derivatives
3. Over-The-Counter Derivatives

### OBJECTIVE

Upon completion of this module, participants will be able to:

1. describe basic concept and mechanism of the derivatives market
2. identify key features and users of derivatives
3. identify risks associated with investing in the derivatives market
4. explain dealing in derivatives offences in relation to Capital Markets and Services Act 2007 (CMSA) and Guideline on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market
5. distinguish between exchange traded and over-the-counter derivatives
6. explain the effect of corporate actions on the OTC underlying instruments

## Module 2: Futures

### OVERVIEW

This module is designed to introduce the participants to futures contracts by outlining their key features, benefits and risks in futures trading and futures trading strategies.

This module will cover the following three (3) topics:

1. Introduction to Futures
2. Trading Futures Contract
3. Futures Trading Strategy

### OBJECTIVE

Upon completion of this module, participants will be able to:

1. identify key features of a futures contract
2. explain the risk and benefits of trading in futures contracts
3. discuss futures spread and its application
4. outline the steps required in constructing futures trading strategies

## Module 3: Options

### OVERVIEW

This module exposes the participants to options contracts starting with the concept of options, options valuations and the pay-off diagrams. The options trading strategies and trading options contracts will also be discussed in this module.

This module consists of the following topics:

1. Introduction to Options
2. Options Valuations
3. Options Trading Strategies
4. Trading Options Contracts

### OBJECTIVE

Upon completion of this module, participants will be able to:

1. explain the key features of options contracts
2. discuss the method of valuing options contracts
3. construct options trading strategies
4. explain the trading process of options contracts

# E-LEARNING PROGRAMME OUTLINE

## Module 4: Over-the-Counter (OTC) Derivatives

OVERVIEW

In this module, participants will discover the features, uses and risks involved in trading the OTC derivatives instruments such as contracts for difference (CFD), forwards and swaps contracts

This module consists of the following topics:

1. Contracts for Difference (CFD)
2. Trading CFD
3. Forwards and Swaps

OBJECTIVE

Upon completion of this module, participants will be able to:

1. describe the key components and features of CFDs, forward and swap contracts
2. explain the rationale of entering into CFDs, forward and swap contracts
3. identify the regulatory requirements to be fulfilled by CFD providers
4. discuss the risks involved in CFDs, forward and swap trading
5. identify the trading strategies for CFDs, forward and swap contracts
6. distinguish between forward and swap
7. explain the uses of forward and swap contracts

## Module 5: Technical and Fundamental Analysis

OVERVIEW

This module is designed to refresh participant's knowledge and understanding of technical and fundamental analysis in derivatives trading such as the use of price trends and patterns as well as the impact of economy, monetary and fiscal policies on the derivatives market.

This module consists of the following topics:

1. Technical Analysis
2. Fundamental Analysis

OBJECTIVE

Upon completion of this module, participants will be able to:

1. distinguish between technical and fundamental analysis
2. determine appropriate charts and technical indicators to interpret price movement and volume
3. recognise patterns in price movement and volume
4. conduct analysis using relevant quantitative and qualitative data
5. examine market conditions using suitable techniques to identify impact to the business or industries
6. explain the technique of interpreting results of an analysis in relation to price movement and volume forecasting

## Module 6: Derivatives Regulatory Environment, Trading and Settlement

OVERVIEW

This module will provide participants with the knowledge and understanding of trading process in the derivatives market including Know Your Client (KYC) procedures for account opening as well as the clearing and settlement of derivatives trading.

This module consists of the following topics:

1. The Regulatory Requirements and Guidelines for CFD
2. Trading in Derivatives
3. Settlement in Derivatives

OBJECTIVE

Upon completion of this module, participants will be able to:

1. explain the processes involved in trading derivatives
2. implement Know Your Client (KYC) procedures in derivatives trading
3. compare the settlement of derivatives vs securities
4. explain the ways to manage derivatives deals in line with the rules and regulations of derivatives trading

## TRADING SIMULATION

The trading simulation is an online simulation platform for participants to apply their knowledge and skills acquired through the e-learning programme to practice basic strategies in derivatives trading. The trading simulation replicates live markets data for participants to experience derivatives trading. Participants are required to complete the trading simulation for the following futures contract.

1. Crude Palm Oil Futures (FCPO)
2. FTSE Bursa Malaysia Kuala Lumpur Composite Index Futures (FKLI)

## ASSESSMENT

The assessment will be conducted online via SIDC Learning & Assessment Management System (LAMS). Participants are required to **complete the e-learning programme and the trading simulation** before they are allowed to sit for the assessment.

Details of the assessment are as follows:

Type of Assessment	:	Multiple Choice Questions, Fill in the Blank, Matching
Number of Questions	:	30 questions
Passing Mark	:	70% (21 Questions)
Time Allocated	:	60 minutes

## PROGRAMME FEE



Price: **RM550** (before SST)

For enquiries and more information regarding this programme, please contact us:

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