

FIMM Apprenticeship Program for Corporate Unit Trust Advisers (CUTAs) and Corporate Private Retirement Scheme Advisers (CPRAs) Implementation Guides

(Effective Date: 1 January 2017)

(A) Applicability

1. This Implementation Guides is applicable to all CUTAs and CPRAs that are registered with Federation of Investment Managers Malaysia (FIMM).

(B) Background

1. Currently, for the purpose of registration with FIMM as a Unit Trust Consultants (UTS Consultants) attached to CUTAs or a Private Retirement Scheme Consultants (PRS Consultants) attached to CPRAs, such individuals must have a Capital Markets Services Representative's License for Financial Planning (CMSRL-FP) issued by the Securities Commission Malaysia (SC) as the prerequisite before registering with FIMM.
2. Qualifying for the CMSRL-FP requires individuals to, among others, passed the required modules offered by recognized financial planning associations that include Financial Planning Association of Malaysia (FPAM) and Malaysian Financial Planning Council (MFPC) as follows:

Table 1: Minimum Qualification for CMSRL-FP*

Requirements	CFP/ IFP**	RFP/Shariah RFP**
a) Module(s) to be completed	Must have successfully completed: <u>Module 1</u> (Foundation in Financial Planning), <u>Module 3</u> (Investment Planning and Retirement Planning),and <u>Module 4</u> (Familiarisation programme on Financial Plan Construction and Professional Responsibilities)	Must have successfully completed: <u>Module 1</u> (Fundamentals of Financial Planning), <u>Module 3</u> (Investment Planning), <u>Module 6</u> (Retirement Planning); and <u>Certificate of Proficiency in Financial Planning</u> from MFPC.
b) Membership status with association	Must be Associate Member Malaysia registered with FPAM	Must be Affiliate Member registered with MFPC

* In line with the minimum qualification and experience for CMSRL-FP as at 8 July 2015.

** Malaysia Financial Planners and Advisers Association (previously known as "Malaysian Association of Chartered Financial Consultant (MACHFC)") is not active and hence no ChFC is issued currently by the association. The minimum entry requirements set out above are also applicable to individuals who opt to take MFPC's Shariah RFP or FPAM's IFP.

3. The existing CMSRL-FP requirements are more onerous as compared to the requirements of UTS Consultants or PRS Consultants that are attached to Unit Trust Management Companies, Institutional Unit Trust Advisers, PRS Providers and Institutional PRS Advisers. These current requirements have been identified by CUTAs/ CPRAs as one of the key limitations that thwart their recruitment efforts which in turn, affect the growth of CUTAs and CPRAs.
4. In view of the above, the FIMM hereby introduce the FIMM Apprenticeship Program for CUTAs and CPRAs that exempts with conditions, UTS Consultants of CUTAs and PRS Consultants of CPRAs, from the requirements to obtain CMSRL-FP prior to their registration with FIMM.

(C) FIMM Apprenticeship Program for CUTAs and CPRAs

Objectives

1. The Program aims to:
 - a) Enhance the attractiveness and competitiveness of financial planning firms who are CUTAs and CPRAs by encouraging individuals such as UTS Consultants and PRS Consultants to gain practical experience in the financial planning industry;
 - b) Encourage the professional development of UTS Consultants and PRS Consultants by creating a pipeline for them to transition into financial planners; and
 - c) Allow aspiring Apprentice to earn income from their efforts in marketing and distributing unit trusts/Private Retirement Schemes (PRS) during their time as an Apprentice.

Entry requirements for FIMM Apprenticeship Program for CUTAs and CPRAs

2. In order to participate in the FIMM Apprenticeship Program for CUTAs and CPRAs, Apprentices attached to CUTAs and / or CPRAs must fulfill the requirements as stipulated below prior to submitting application to FIMM for registration as UTS Consultants/PRS Consultants with FIMM.

Requirements	CFP/IFP*	RFP/Shariah RFP*
a) Module(s) to be completed	Must complete Module 1 (Foundation in Financial Planning and Tax Planning)	Must complete Module 1 (Fundamentals of Financial Planning)

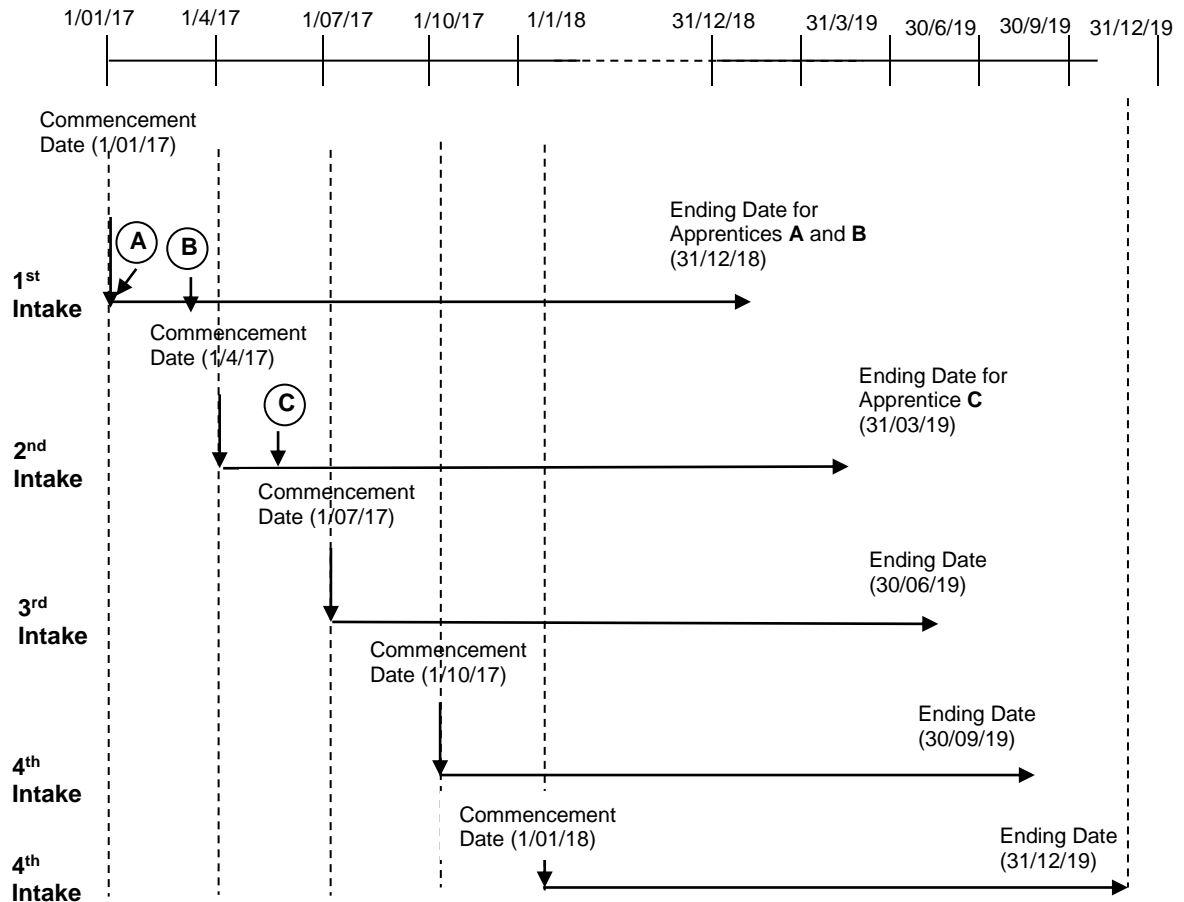
Requirements	CFP/IFP*	RFP/Shariah RFP*
b) Membership status with association	Must be Associate Financial Planner Malaysia registered with FPAM	Must be Affiliate RFP registered with MFPC
c) Holder of Capital Markets Service Representative's License (CMSRL) for financial planning.	No	No
d) Passed Computerized Unit Trust Examination (CUTE) and/or Private Retirement Scheme Examination (PRE)	Yes	Yes

* Malaysia Financial Planners and Advisers Association is not active and hence no ChFC is issued currently by the association. The equivalent minimum modules set out above are also applicable to MFPC's Shariah RFP or FPAM's IFP certifications

Intakes and timeframe for FIMM Apprenticeship Program for CUTAs and CPRAs

3. FIMM Apprenticeship Program for CUTAs and CPRAs will be conducting intakes quarterly as follows:
 - a) 1st Intake – 1 January;
 - b) 2nd Intake – 1 April;
 - c) 3rd Intake – 1 July; and
 - d) 4th Intake – 1 October.
4. Each intake will commence from the first day for the period until the day before the next intake starts. Apprentices joined during the specific intake period will be given two years to successfully complete the required modules as stipulated in Clause 2, Section B.
5. The FIMM Apprenticeship Program for CUTAs and CPRAs will continue until further notice from FIMM upon consultation with the SC. A review will be conducted two years after the commencement of the FIMM Apprenticeship Program for CUTAs and CPRAs.

6. As illustrated in the following diagram, the Apprenticeship Program for Apprentices A and B will be ended on the same date (31 December 2018) even though both joined at different date but during the first three months of the same intake.



Notes:

- (A) Apprentice A joins the Apprenticeship Program on 1/01/17.
- (B) Apprentice B joins the Apprenticeship Program on 1/03/17.
- (C) Apprentice C joins the Apprenticeship Program on 15/05/17.

Termination of Apprenticeship

7. The apprenticeship contract of Apprentices will be terminated if Apprentices failed to complete the required modules as stipulated in Clause 2, Section B under respective financial planning associations during the two year period of the Apprenticeship. CUTAs/ CPRAs are responsible to terminate the registration of UTCs / PRCs of such individuals with FIMM.
8. Every Apprentice is only allowed for one attempt to complete the FIMM Apprenticeship Program for CUTAs and CPRAs, Apprentices who failed the first attempt are not allowed to enroll under FIMM Apprenticeship Program for CUTAs and CPRAs with any other CUTAs or CPRAs.

9. Apprentices are permitted for 1-time switching to different CUTAs/CPRAs during first three months upon commencement of their apprenticeship under FIMM Apprenticeship Program for CUTAs and CPRAs.

Scope of activities permitted

10. Apprentices are not permitted to conduct any regulated activity, except those that are allowed for UTCs and/or PRCs.
11. As such, CUTAs and CPRAs must ensure that Apprentice:
 - a) must clearly inform clients that he/ she is not a licensed financial planner;
 - b) is not permitted to hold himself/ herself as licensed financial planner under any circumstances;
 - c) are only permitted to prepare draft financial plans under the supervision of a licensed financial planner; and
 - d) is not permitted to meet clients or collect information from clients for the purposes of creating financial plan without the present of supervisor who is a licensed financial planner.

(D) Responsibilities and Administrative Requirements

General

12. CUTAs and CPRAs are required to appoint a person responsible for overseeing the proper implementation of the FIMM Apprenticeship Program for CUTAs and CPRAs within the firm and conduct of its Apprentices (FIMM Apprenticeship Program Liaison).
13. The FIMM Apprenticeship Program Liaison will be the main contact person between CUTAs, CPRAs and FIMM pertaining to the FIMM Apprenticeship Program for CUTAs and CPRAs.

14. CUTAs and CPRAs must provide the name, contact number, fax number and the email address of the Apprenticeship Program Liaison to the following:
 - a) Encik Ahmad Yusoff at ahmadyusoff@fimm.com.my; and/or
 - b) Encik Shahrul Nizam Zainol at shahrulnizam@fimm.com.my.
15. In the event of change in the person-in-charge, CUTAs and CPRAs are responsible to notify FIMM by 10th day of the following month the changes took place and provide updated particulars of Apprenticeship Program Liaison.

Report Submission to FIMM

16. CUTAs and CPRAs are required to prepare and forward to FIMM the completed report on the FIMM Apprenticeship Program for CUTAs and CPRAs. The format of the report and the cover letter will be announced later.
17. The report should be submitted to FIMM semi-annually, by 10th of the following month after every six-month period of the FIMM Apprentice Program for CUTAs and CPRAs. The report should cover the particulars of Apprentices attached to the company, that includes, among other things, the following:
 - a) List of Apprentices recruited during the six month period, in line with the cut-off date specified by FIMM;
 - b) Status of their apprenticeship (active/ terminated/whether switching has occurred) as at the end of the period;
 - c) Training plan for respective Apprentices that includes type of financial planning courses pursuing, training attended and courses completed during the period and outstanding courses yet to be completed as at the end of the period; and
 - d) Other information as FIMM deems appropriate in the monitoring of progress and effectiveness of the Apprenticeship Program.
18. The first report is due for submission to FIMM on or before 10 July 2017, and must cover particulars on or before 30 June 2017.

Other requirements

19. Participating CUTAs/ CPRAs must:
 - a) put in place policies and procedures to supervise and monitor the activities of the Apprentices to ensure that the requirements of FIMM Apprenticeship Program for CUTAs and CPRAs are complied with at all times;

- b) put in place structured training programs to support the Apprentices in completing the financial planning programs needed to be licensed by SC as holders of CMSRL in financial planning; and
- c) maintain and made available all relevant records for checking and audit purposes.