



DUAL LICENSING FAST TRACK PROGRAMME I (DLFT I) FREQUENTLY ASKED QUESTIONS (FAQS)

1) What is Fast Track?

The Dual Licensing Programme was introduced to recognise the experience and potential contribution of dealer representatives into the futures market. This was also in line with Prime Minister's announcement during Invest Malaysia 2011 on 12 April 2011 where experienced Dealer's Representatives (DR) will be given the opportunity to trade in derivatives.

The Dual Licensing Fast-Track Programme is a 4-day course designed for holders of Capital Markets Services Representative's Licence (CMSRL) licensed for the regulated activity of dealing in securities to obtain a license for trading in futures contracts.

CMSRLs for dealing in securities who intend to be licensed for trading in futures contracts are allowed to either undertake the SC Licensing Examinations (Modules 14 and 16) or complete the dual licensing programme.

2) Who will be able to qualify for the programme?

The programme is targeted at DRs (CMSRL holders for dealing in securities) who wish to be licensed as Futures Broker's Representative (CMSRL for trading in futures contracts), who meet the following criteria:

- have at least 10 years of experience as a DR as at 12 April 2011; and
- must be fit and proper as prescribed in 65 of the Capital Markets & Services Act 2007.

3) Can the 10-year DR experience requirement be calculated on a cumulative basis, i.e. if a DR has intermittently ceased trading as a DR in between his years of experience but his total cumulative years of experience meets the 10-year requirement, can he/she qualify to attend Fast Track?

Applicants should be guided by the Licensing Handbook on the Validity of the Licensing Examination.

Generally, the DR would need to ascertain whether he/she was in the industry during the periods he was not a DR. The break or total amount of time spent outside the industry should not be more than 3 years.

For example: Mr A was licensed as a DR for 3 years and later left to become a research analyst for 4 years, returning to become a DR for 8 years. Mr A would be eligible for the Fast Track programme as he was still in the industry during the period when he was not a DR and he has a total of 10 years of

experience as a DR. If Mr A had spent the 4 years in employment outside the capital market, he would not be eligible for the programme.

4) I am currently a DR and have already passed the required Securities Commission (SC) licensing examinations in relation to trading in futures contracts. However, I have yet to apply to the SC to be licensed as a Futures Broker's Representative. Am I still required to attend and complete Fast Track before being allowed to trade in derivatives for my clients?

No. The DR need not complete the programme and can proceed to apply for the license. The DR, however, is reminded to be guided by the provisions of the Licensing Handbook on the validity of their examinations.

5) How will Fast Track be conducted?

Fast Track will be conducted over 4 days.

- Module 1: 2 days – Saturday and Sunday (Products)
- Module 2: 2 days – Saturday (Regulation training) and Monday or Tuesday (Trading simulation)

Participants are required to attend the module on Products prior to enrolling for the module on Regulation Training and Trading Simulation.

6) What will I get after completing the course?

You will be given a certificate of completion, which may be used to apply for your licence for trading in futures contracts.

7) Will a DR who has completed Fast Track be issued a single licence by the SC for both his capacities as a DR and FBR or will the SC issue separate licences for his respective capacities?

The SC will issue a single licence if both activities are within the same entity. Separate licences will be issued if the activities are carried out by two different entities in the Group.

8) How long is the certificate of completion (issued to DRs upon completion of Fast Track) valid for? For example, an existing Participating Organisation (PO) intends to establish a new futures broking business. The PO may encourage their DRs to complete the Fast Track Programme first, in anticipation of the procurement of the relevant futures broking licence by the PO from the SC. Prior to the issuance of the futures broking licence by the SC, the DRs who have completed Fast Track may have to wait for a period of time before they are entitled to apply for their Futures Broker's Representative licence.

As above, applicants should be guided by the provisions of the Licensing Handbook on the Validity of the SC Licensing Examinations.

9) Will there be a single licence fee imposed by the SC on a DR who is applying to be licensed as a Futures Broker's Representative?

The DR will need to apply to vary his licence to include trading in futures contracts. The fee imposed upon approval of the licence is RM150 (i.e. RM100 for application for variation of licence and RM50 for processing fee). The expiry date of trading in futures contracts licence will be similar to the representative's dealing in securities' licence.

For Example: Your current dealing in securities licence expires on 31 August 2011. You apply to vary your licence to include trading in futures contract on 15 June 2011 and SC granted the approval for trading in futures contracts on 20 June 2011. The variation fee is RM150. The futures trading licence will expire on the same date as the dealing licence, i.e. 31 August 2011. You are required to submit application for renewal of licence 30 days before expiry of your licence and you may choose your licence tenure to either 12 or 24 months. The renewal fees are RM250 and RM450 respectively.

The above fees are consistent with current requirements. Applicants are advised to refer to the Licensing Handbook on Licence Fees and other requirements, for example continuous obligations with regard to CPE points.

10) What is my investment for the programme?

You only need to invest RM1,166 (inclusive of 6% GST) for the 4-day programme.

11) Where will Fast Track be conducted?

The Module 1 will be conducted at the Securities Commission Malaysia, 3 Persiaran Bukit Kiara, Bukit Kiara 50490 Kuala Lumpur, while Module 2 will be held at Bursa Malaysia, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur. Participants will be informed if there is any change to the training venue.

12) How do I apply for Fast Track?

To apply, you can download the registration form from our website www.sidc.com.my. Completed forms can be emailed to tosidc@sidc.com.my with the subject header "Fast Track – Your Name".

Alternatively, you may post the completed form to:

Fast Track
Securities Industry Development Corporation,
3, Persiaran Bukit Kiara,
Bukit Kiara,
50490 Kuala Lumpur, Malaysia.

13) What are the documents to be submitted to support my application?

Interested participants are requested to refer to the registration form available for download at www.sidc.com.my.

Please log on to our website for the dates of each course.