



22 APRIL 2016

**“Scaling New Heights - Building New Competencies for Tomorrow”
- Keynote Address by Ms Merlyn Ee, Executive Director,
Capital Markets Intermediaries I, Monetary Authority of Singapore,
at the Launch of the Financial Planning Competency Standards
by The Institute of Banking & Finance**

Distinguished guests, ladies and gentlemen

Introduction

1. Good afternoon. I am delighted to join you today and congratulate the Institute of Banking & Finance (IBF) on the launch of the Financial Planning Competency Standards.

Opportunities for financial advisers

2. The new IBF standards come at a time of opportunity for the financial advisory industry.

3. With greater financial awareness, Singaporeans are becoming more active in planning for their financial future. They will benefit from help and guidance in planning for their life goals, including setting up a family and preparing for retirement.

4. There is an increasing focus on proper retirement planning as Singaporeans are living longer than ever before. Improvements in medical care are leading to longer life expectancy. Over the last three decades, life expectancy has risen from 76 years to 85 years for women and from 71 years to 81 years for men.¹ Life expectancy is expected to increase further in the years to come. This is a good thing.

¹ Source: Singapore Department of Statistics

5. But in order to enjoy our golden years we need to ensure we have adequate finances. This will mean that we need to start financial planning early and take advantage of the power of compounding. However, not many people have done so. Some of us may not know where to start or understand what options we have. This is even more challenging amid an uncertain economy and an abundance of choice given an expanding suite of financial products offered by financial institutions.

6. This is where financial advisers have an important role to play to help Singaporeans develop proper plans to balance their immediate financial demands, medium-term financial goals and future retirement needs.

Staying relevant by offering trusted, objective and holistic advice

7. A recent survey conducted by the Financial Planning Standards Board and released by the Financial Planning Association of Singapore (FPAS) revealed that consumers have strong interest in seeking financial advice for their retirement and investment planning. However, one key barrier for them is not knowing who to trust. Financial advisers can better serve their clients and build trust by putting the interests of their clients first, focusing on their needs and providing objective and holistic advice.

8. A financial adviser will be able to gain a competitive advantage if he goes beyond making product recommendations, towards advising clients on an integrated strategy to meet their financial goals and needs at different stages of life, such as getting married, buying a home, starting a family, or preparing for retirement. All of us will need a different plan because it has to take into account our personal goals, financial situation, values and risk tolerance. Consumers will naturally seek out advisers who are able to offer advice tailored to helping them meet their needs and achieve their aspirations.

9. In order to provide holistic advice, financial advisers will have to upskill and develop competencies in this area. They also need to keep abreast of changes in the

financial industry as there are always new products, trends and regulations that will impact the quality of advice they dispense to their clients.

10. Even experienced professionals will find it useful to undergo regular training. This will provide them with a more complete understanding of financial planning, equip them with the skills to meet the increasingly complex needs of Singaporeans, and help them to expand the range of clientele they can serve, to include groups such as business owners and high net worth individuals.

Enhancing competencies among finance professionals

11. At the national level, the Government has been taking active steps to help workers upgrade themselves and stay relevant. The SkillsFuture initiative allows Singaporeans from all walks of life to develop to their fullest potential by giving them the opportunity to sign up for courses and training programmes. Through SkillsFuture, individuals will be able to deepen their skills in their chosen field or job.

12. For the financial advisory sector, MAS has introduced measures so that financial advisers can meet the evolving needs and expectations of consumers.

13. Under the Financial Advisory Industry Review (FAIR), we have introduced requirements for continuing professional development (CPD). To help financial advisers remain current and up-to-date in their knowledge of market and regulatory developments, they have to undergo structured CPD training every year. This includes training in ethics, rules and regulations.

14. MAS is also reviewing the Capital Markets and Financial Advisory Services (CMFAS) Examinations, to ensure their continued relevance for professionals working in the capital markets and financial advisory services industries. We have plans to introduce content on ethics and skills so that representatives can better serve their

clients. The CMFAS Examinations will also be redesigned to allow greater customisation to the job functions of representatives. Examination modules catering to the core roles of representatives will be expanded to cover ancillary functions. This will allow representatives to take fewer modules compared with the current requirements to take separate modules for each regulated activity. We also aim to provide flexibility for representatives to take multiple product knowledge modules in a single sitting, if they wish. MAS will be consulting on these proposals in due course.

IBF Financial Planning Competency Standards

15. I am heartened that the financial sector is joining us on this journey to enhance competencies in the financial advisory sector.

16. The newly-launched IBF Standards for Financial Planning is an excellent example of a collaborative effort with the industry.

17. The IBF Standards aim to instil high standards of ethics and professionalism so that financial advisers can earn the trust of their clients. The Standards will also help financial advisers to foster deep technical competencies, and further enhance their capabilities to offer quality financial advice to their clients.

18. The Standards will allow financial advisers to upgrade themselves no matter how many years they have already spent on the job. For new practitioners, the “IBF Qualified” certification enables them to develop foundational knowledge of ethics, laws, regulations, and financial products. They will also pick up technical skills relating to cash management, insurance, investments and retirement.

19. For senior practitioners, the “IBF Advanced” certification will help them to attain more complex skills such as providing advice on business ownership and estate planning.

20. The IBF Standards will also enable aspiring team leaders and managers preparing for supervisory roles to further enhance their capabilities to manage teams and provide supervisory oversight of their colleagues. This includes adopting a Balanced Score Card approach in performance management, and using risk monitoring techniques to ensure high standards of professionalism for their teams.

21. IBF has worked closely with FPAS, the Insurance and Financial Practitioners Association of Singapore (IFPAS) and the Singapore College of Insurance (SCI) to confer the IBF-accreditation status on the widely-recognised Certified Financial Planner (CFP) and Chartered Financial Consultant/Singapore (ChFC/S) qualifications awarded by FPAS and SCI respectively. Practitioners who successfully obtain these professional designations from 2016 onwards will be eligible to apply for “IBF Advanced” certification.

IBF Financial Planning Working Group

22. I would like to take this opportunity to express our appreciation to IBF’s Financial Planning Working Group, which was previously led by Mr Tan Hak Leh and now by Dr Khoo Kah Siang. The Working Group consists of senior professionals from the financial advisory sector and industry associations, including FPAS, IFPAS, the Association of Financial Advisers (Singapore) (AFAS), and the Life Insurance Association, Singapore (LIA). The Working Group worked tirelessly to develop a comprehensive and well-designed set of competency Standards. The members tapped on their experience to ensure that industry best practices were reflected in the Standards. They also adopted a forward looking approach and incorporated emerging developments, such as financial planning for business owners, in the Standards.

Support from employers

23. I am pleased that the financial advisory industry has shown its support for the IBF Financial Planning Standards. Financial institutions such as AIA Singapore, AXA Life Insurance, Great Eastern Life, Great Eastern Financial Advisers, IPP Financial Advisers, NTUC Income and Prudential Singapore have committed to adopt the Standards as part of their training roadmap for their advisers.

24. We strongly encourage banks, as well as more insurance companies and financial advisory firms, to join these early adopters to leverage on the IBF standards to equip your advisers with broad-based and in-depth capabilities to enhance their financial advisory careers.

25. Financial advisers should also take the initiative to invest in skills upgrading by enrolling in IBF's accredited training courses, and undertaking the IBF certification pathways.

Conclusion

26. In closing, I would like to again commend IBF and its Financial Planning Working Group for your excellent work on the IBF Financial Planning Standards. This is indeed a major milestone, for it is the first time the financial advisory industry has come together to develop a set of common competency standards for industry professionals.

27. I look forward to these standards becoming the benchmark for professionalism, competence and trust for financial advisers in the years to come.

28. Going forward, we welcome more initiatives from the industry to complement MAS' efforts to continually upgrade the capabilities of our financial advisers, so as to meet the evolving financial planning needs of Singaporeans.

29. Thank you, and I wish you a fruitful afternoon ahead.

For media queries, please contact:

Denise Gan
Deputy Director (Communications)
Monetary Authority of Singapore
Tel: +65 62299425
Email: denise_gan@mas.gov.sg

National Archives of Singapore