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Know Your Wealth Management Professionals

财富管理专才的专业资格

To give good financial and investment advice to their clients, the wealth management professionals need to have a comprehensive understanding of, among many things, the financial products, legal and accounting knowledge and clients' values and goals. Often, wealth management professionals need to be licensed. In this article, we will summarize the key licensing aspects of some wealth management professionals:

1. Investment Advisors

Persons conducting business in the following 9 types of regulated activities: dealing in securities, dealing in futures contracts, leveraged foreign exchange trading, advising on securities, advising on futures contracts, advising on corporate finance, providing automated trading services, securities margin financing and asset management are required to be licensed/registered with the Securities and Futures Commission (SFC) unless specific exemption is provided. The detailed definitions of the regulated activities are stipulated in Schedule 5 to the Securities and Futures Ordinance (SFO), Chapter 571.

The SFC has set the requirements in the Guidelines on Competence and Fit and Proper Guidelines for license applicants. For example, in assessing the competence to be licensed as a representative, the SFC will look into the following three basic elements: academic qualification, industry qualification and regulatory knowledge. To meet the requirement of regulatory knowledge, the applicant has to pass one of the recognized local regulatory framework papers like the Licensing Examination for Securities and Futures Intermediaries.

2. Insurance Intermediaries

The insurance intermediaries are classified into six categories according to their lines of business which are travel insurance, general insurance, long term (either including or excluding investment-linked long term) insurance and composite (either including or excluding investment-linked long term) insurance.

Under the Insurance Intermediaries Quality Assurance Scheme (IIQAS) introduced by the Insurance Authority (IA) from 1st January 2000 and Part X of the Insurance Companies Ordinance, Chapter 41, all insurance intermediaries conducting the above lines of business are required to pass the Insurance Intermediaries Qualifying Examination (IIQE) and thereafter comply with the requirements of the Continuing Professional Development Programme (CPD) (unless otherwise exempted).

3. MPF Intermediaries

The Mandatory Provident Fund (MPF) Scheme has been effective in Hong Kong since 2000. According to the Code of Conduct for MPF Intermediaries published by the Mandatory Provident Fund Schemes Authority (MPFA), only those who have successfully passed the MPF Schemes Examination and are being supervised by one of the three regulatory regimes (namely the Hong Kong Monetary Authority (MA), IA and SFC) can be registered with the MPFA as MPF intermediaries to market the MPF schemes, advise on constituent funds or underlying approved pooled investment funds of MPF schemes.