

SECURITIES ACT, 2008

Minimum Competency Requirements Educational & Experience Requirements

1. Introduction

Under the provisions of the Securities Act¹, the Central Bank of Seychelles is obliged to refuse to grant a licence unless the applicant proves that it is fit and proper to be licensed.

The Fit and Proper Guidelines issued by the Central Bank outlines the criteria the bank will take into account in determining the fitness and propriety of an applicant. Paragraph 5.1 of the Fit and Proper Guidelines provides that an applicant has to demonstrate that it is competent to carry out the licensed activity efficiently and effectively. One component of the competency criteria is the possession of necessary qualification, knowledge and experience by key personnel of applicant entities.

This Guidance Note is an elaboration of the Central Bank's policy on the educational and experience requirements expected of individuals who for or on behalf of applicant entities deal in securities or give investment advice or are otherwise responsible for making decisions regarding the business of the applicant.

This Guidance Note is not intended to be comprehensive nor replace or override any legislative provisions. Applicants are advised to read the guidance note in conjunction with the Act, the Fit and Proper Guidelines and any other guidelines the Central Bank may issue from time to time.

¹ Section 46(4)(f), section 49(3)(d), section 52(2)(c).

2. Application

These guidelines are to be applied by the Central Bank when determining the competency of;

- (a) the directors of a company applying to be licensed as a securities dealer or investment adviser;
- (b) an individual applying to be licensed as an investment adviser;
- (c) an individual applying to be licensed as a securities dealer representative;
- (d) an individual applying to be licensed as a investment adviser representative.

3. Qualification and Experience Requirements

The individuals mentioned above must be able to demonstrate that he/she has the minimum competencies set out in Annex 1. Some suggested courses which can be undertaken to obtain these minimum competencies are also included in Annex 1.

To prove that an individual has the necessary competence one of the following options must be met:

Option 1

Individuals must meet (a) and (b).

- (a) Qualification Possess an industry qualification recognised by; and
- (b) Experience Have the equivalent of two years relevant industry experience.

Option 2

Individuals must meet (a) and (b).

- (a) Qualification Possess a degree in a relevant field of study such as finance, business, economics, accounting, commerce etc

from institutions recognised by the Seychelles Qualification Authority or a recognised industry qualification; and

(b) Experience Have the equivalent of two years relevant industry experience.

Option 3

Individuals must meet (a) and (b).

(a) Qualification Possess a degree in areas not directly related to financial services; and

(b) Experience Have the equivalent of five years relevant industry experience.

Option 4

Individuals who do not have formal qualifications as required by Options 1 and 2 may demonstrate that they are competent if they have at least 10 years relevant industry experience.

NOTES:

Relevant industry experience

In assessing the relevance of the individual's experience the Central Bank will take into account the duties and functions to be performed. The Central Bank will recognise experience that is closely related to the functions to be performed.

Relevant experience obtained overseas will be recognised.

Annex 1 – Minimum Competency

SUBJECT MATTER	MINIMUM COMPETENCIES
<p>1. Securities and Markets Suggested course: -Certificate in Investments Unit 2</p>	<ul style="list-style-type: none"> ▪ Nature of Securities ▪ New issues ▪ Primary and secondary markets and settlement
<p>2. Securities and Takeovers Suggested courses: -Certificate in Investments Unit 2 -Certificate in Investments Unit 5</p>	<ul style="list-style-type: none"> ▪ Special regulatory requirements relating to takeovers and mergers ▪ Special disclosure of interests ▪ Specific regulations ▪ Industry regulation and governance
<p>3. Investment and Risk Suggested course: -Certificate in Investments Unit 8</p>	<ul style="list-style-type: none"> ▪ Risks for investors ▪ Investor profiles understanding risks ▪ Asset allocation and investment planning
<p>4. Securities and Accounting Suggested course: -Certificate in Investments Unit 2 and Unit 5</p>	<ul style="list-style-type: none"> ▪ Accounting analysis ▪ Company balance sheets, income statements and cash flow statements
<p>5. Debt Instruments Suggested course: -Certificate in Investments Unit 2</p>	<ul style="list-style-type: none"> ▪ Government and corporate debt ▪ Eurobonds ▪ Other securities ▪ Foreign exchange
<p>6. Investment Management Suggested course: -Certificate in Investments Unit 5</p>	<ul style="list-style-type: none"> ▪ Financial Mathematics and statistics ▪ Asset classes and investment strategies ▪ Investment analysis ▪ Portfolio management and measurement ▪ Taxation

NOTES:

- In addition to the suggested courses above, there is the International Certificate in Financial Advice (www.sii.org.uk/SII/WEB5/sii_files/Qualifications/ICFA/ICFA) which lists its objectives and contents which could be adopted as an alternative to the combinations in the table above.

- Other links to courses: www.sii.org.uk
www.nyif.com/courses/crcn_1017.html