

Results of Survey on Proficiency Standards in ICSA Member Countries

Requirements for Firms

	Required to Report to or Join:		Proficiency Standards Set by:		
	Regulators	SRO ¹	Regulators	SRO ¹	Other
Australia	Yes	Yes ²	Yes	Yes	No
Canada	Yes	Yes	Yes	Yes	No
France	Yes	No	Yes	No	Yes ³
Italy	Yes	No	Yes ⁴	No	No
Japan	Yes	Yes	No	Yes	No
Korea	Yes	Yes ²	Yes	Yes	No
Sweden	Yes	Yes ²	No	Yes	No
United Kingdom	Yes	No	Yes	No	Yes ⁵
United States	Yes	Yes	No	Yes	Yes ⁶

¹ Including exchanges that act as SROs.

² Membership is not compulsory but all or almost all securities firms are members.

³ Euronext.

⁴ Proficiency standards are set by the Borsa Italia, a private company that is controlled by the regulatory authorities.

⁵ Securities Institute, a registered charity that sets training and competence policy.

⁶ National Association of State Securities Administrators, a private sector firm that represents state regulators.

Requirements for Traders

	License Required	Exam for License	Courses Required	Courses Required		Continuing Education	Hours of Education (per year)	Supervision Required
				For License	In Lieu of License			
Australia	Yes	Yes	Yes	Yes	--	Yes	20	Yes
Canada	Yes ¹	Yes	Yes	Yes	--	Yes	12 ²	Yes
France	Yes ³	Yes	No	No	--	Yes	NS ⁴	Yes
Italy	Certification	No	Yes	Yes ⁵	--	No	0	No
Japan	Yes	Yes	No	No	No	Yes	3 ²	Yes
Korea	Certification	Yes	Yes	Yes ⁵	--	Yes	8 ⁶	Yes
Sweden	Yes ⁷	Yes	No	No	No	No	0	Yes
United Kingdom	No ⁸	No	No	No	No	No	0	No
United States	Yes	Yes	No	No	No	Yes	_____	Yes

¹ Registration is required if trader takes orders from institution and/or retail clients. It is common for institutional clients to deal with a properly registered trader.

² Every three years.

³ License required for trading managers only, who in turn are responsible for supervising the firm's traders.

⁴ Number of hours of continuing education is determined by the individual firm.

⁵ Required for certification.

⁶ Every two years.

⁷ Additional certification also required.

⁸ Although a license is not required, firms have to satisfy themselves that their traders are properly trained. Traders deal with order execution only.

Requirements for Institutional Sales

	License Required	Exam for License	Courses Required	Courses Required		Continuing Education	Hours of Education (per year)	Supervision Required
				For License	In Lieu of License			
Australia	Yes	Yes	Yes	Yes	--	Yes	20	Yes
Canada	Yes	Yes	Yes	Yes	--	Yes	12 ¹	Yes
France	No	No	Yes	No	No	Yes	NS ²	Yes
Italy	Certification	No	Yes	Yes ³	--	No	0	No
Japan	Yes	Yes	No	No	No	Yes	3 ¹	Yes
Korea	Certification	Yes	Yes	Yes	--	Yes	8 ⁴	Yes
Sweden	Yes	Yes	No	No	--	No	0	No
United Kingdom	Yes	Yes	No	No	No	Yes	NS ²	No
United States	Yes	Yes	No	No	No	Yes	_____	Yes

¹ Every three years.

² Number of hours is determined by individual firm.

³ Required for certification.

⁴ Every two years.

Requirements for Compliance

	License Required	Exam for License	Courses Required	Courses Required		Continuing Education	Hours of Education (per year)	Supervision Required
				For License	In Lieu of License			
Australia	No	No	No	--	No	No	0	No
Canada	No	No	No	--	No	No	0	No
France	No	No	No	--	No	Yes	NS ¹	Yes
Italy	No	No	No	--	No	No	0	No
Japan	Yes	Yes	No	No	No	Yes	NS ¹	Yes
Korea	No	No	No	--	No	No	0	No
Sweden	Yes	Yes	No	No	No	No	0	No
United Kingdom	No ²	No	No	--	No	No	0	No
United States	Yes	Yes	No	No	No	Yes	_____	Yes

¹ Number of hours of continuing education is determined by the individual firm

² Although a license is not required, firms have to satisfy themselves that their compliance staff is adequately trained.

Planned Changes to Proficiency Regimes

	<u>Changes Planned by SROs and Regulators</u>	<u>Institution</u>
Australia	Aligning proficiency standards with those of U.S. and U.K. Extending existing standards to compliance and operations staff Skills based electives to be made available for continuing education	AFMA, SDIA AFMA, SDIA AFMA
Canada	Establish proficiency standards for financial planners	IDA, MFDA
France	None	
Italy	Planned but details not yet available	Borsa Italia
Japan	None	
Korea	Introduction of certificate program for analysts	KSDA
Sweden	Under proposed new regulations, all traders, brokers and others offering investment advice are to be licensed through a program similar to that now offered by SwedSec AB.	FSA
United Kingdom	Regulator is reviewing current training and competency standards with specific attention to: (1) monitoring proficiency; (2) logging of continual professional development; and (3) periodic reexamination. Regulator is also implementing “approved persons” regime affecting senior management and those in authority under them.	FSA FSA
United States	Implementing requirements for compliance officers.	NASD