



CFA Society
Netherlands

vba beleggingsprofessionals
De standaard in kwaliteit en integriteit.



Amsterdam, November 2017

Re.: MiFID II and knowledge testing for the institutional asset management industry

Dear madam, sir,

The implementation of MiFID II results in additional responsibilities for employers in the financial industry with respect to maintaining professional knowledge among their staff. ESMA has published guidelines for this; these guidelines require that everyone who informs or advises clients must comply with the competency guidelines. Those individuals who do not comply can no longer independently inform or advise clients, and are only allowed to do so with the supervision of a person who does comply with the guidelines.

CFA Society Netherlands, VBA beleggingsprofessionals (who are planning to merge early 2018) and DSI offer an integrated solution to those employees within your organization who have completed the CFA Charter or the RBA/VBA education, as well as employees who have not completed either of these studies. This solution is designed for the institutional asset management industry. For the retail portion of the industry DSI offers a different solution which is not discussed in this letter.

DSI has been asked by AFM to ensure that, via DSI's registers, investment professionals can prove that they comply with the competency requirements. The new DSI certification will be a proof of such compliance. For the implementation DSI has sought cooperation with CFA Society Netherlands and VBA beleggingsprofessionals. These two organisations already count a large portion of the investment management industry as their members. Merged, they can offer an integrated platform of (continuing) education opportunities and more critical mass to better serve and represent the fund management industry.

Employees who have completed the CFA Charter or RBA/VBA program have in-depth investment knowledge. This knowledge goes far beyond the requirements under MiFID II. However, MiFID II also requires knowledge in areas currently not covered in the curriculum of VBA or CFA (for example issues such as KYC/client onboarding and local regulations). For these subjects the necessary training modules will be developed in 2018. Employees with a completed CFA Charter or RBA/VBA program will be included in the new DSI register¹ from January 2018, on the condition that they cover the training modules on the missing subject matter during 2018 (after which the registration becomes permanent). We thus offer a quick and clear route towards compliance for your employees. We will inform you

about the implementation in the near future. The current DSI register (for the institutional sector) is not compliant with MiFID guidelines.

Employees without a completed CFA Charter or RBA/VBA education often also possess a higher level of education (bachelor or master in finance). These educational programs also do not cover the full range of requirements under MiFID II. These employees can be included in the DSI register if they complete an exam or training which is accredited by DSI, and can thus become MiFID II compliant. One good option in this respect is for instance the completion of the Investment Foundation Program² offered by CFA Institute, combined with additional modules for subjects which are not covered in this program.

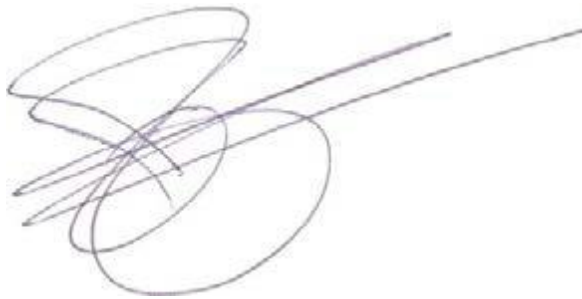
After employees have become compliant they need to maintain their competencies in order to maintain their registration. CFA Society Netherlands and VBA beleggingsprofessionals offer continuing education opportunities for this purposes. If they have not yet done so, employees can enroll in the existing Continuing Education (CFA) or Permanente Educatie (VBA) programs and they can use an online register to file their education activities. Both permanent education programs will ultimately be merged into one as part of the upcoming merger of the two organizations. At the end of the calendar year CFA and VBA pass on the completed training hours to DSI which ensures that the employee can maintain his or her registration. DSI will then inform the employer whether the employee has maintained compliance. This way the employer fulfill its duty to control the compliance of its staff.

To enroll in the continuing education programs of CFA Society Netherlands and VBA beleggingsprofessionals employees (who are not yet members) can become a member of the merged CFA Society VBA Netherlands. This membership includes membership in CFA Institute and gives access to all available educational content, training and knowledge material, including online training modules and webinars, etc. offered by CFA Institute. In addition, members have access to all educational programs, seminars, events and other activities offered by CFA Society VBA Netherlands and by CFA Institute and CFA societies abroad. Most of the content and activities are free of charge or available at low cost/discounted prices for members (online materials for example are free of charge) and offer ample opportunity to collect sufficient continuing education points annually. A further feature of membership is the access to a personal online register in which all training activities can be recorded. Training activities outside CFA Society VBA Netherlands, such as internal company training programs, or third-party events and courses, can also be included in the register. Membership costs \$400 per employee per annum. To become a member, one has to sign the CFA Institute Codes of Conduct and supply 3 professional references. Furthermore, one year of relevant work experience is required. Employers and employees will receive additional information about the membership application process in due course.

The boards of CFA Society Netherlands, VBA beleggingsprofessionals and DSI are convinced that with this solution they can support employers in the financial industry in complying with the new regulation around competency, and ensure sufficient knowledge among employees. If you have further questions, please feel free to contact Pieter van Putten (Pieter.vanputten@cfanetherlands.nl or 06-53401320),

Anne-Marie Munnik (directie@nvba.nl of 020-6182812) or Jerry Brouwer (j.brouwer@dsi.nl or 020-5309856). If you prefer we can discuss any questions you might have in a personal meeting.

With kind regards



Jacco Heemskerk, CFA
President CFA Society Netherlands



Alfred Slager, RBA
President VBA beleggingsprofessionals



Dirk Schoenmaker
President DSI

¹ The following conditions are applicable for entry into the new DSI register for the purpose of compliance with the MiFID II requirements;

1. Minimum of 1 year of work experience in the financial industry;
2. Sufficient knowledge and competence to meet requirements;
3. Positive result DSI screening, including a Dutch Verklaring Omtrent Gedrag

² Investment Foundations Program offered by CFA Institute is a self study program in which the basic principles of the investment profession are covered. Participants need to sit one exam, for which ca. 80-100 hours of study time is recommended. The cost for this program is \$250 per person (\$200 p.p. if purchased for more than 5 persons). The exam is in English; the timing of the exam is flexible, and is offered at various exam locations in the Netherlands.