

**Syllabus of the Licensing Examination for Fund Practitioners  
Fund-related Laws and Regulations, Professional Ethics and Code of Conduct  
(Amended in 2017)**

**1. Overall Objective**

Fund practitioners shall comply with *Law of the People's Republic of China on Securities Investment Funds*, other laws and regulations promulgated by the securities regulatory authorities under the State Council, and self-disciplinary rules and professional ethics established by self-disciplinary organizations of the industry. Fund practitioners shall also master the code of professional conduct. In order to enhance compliance awareness of fund practitioners, and improve their professional ethics and standards, the subject of Fund-related Laws and Regulations, Professional Ethics and Code of Conduct is hereby set up.

**2. Proficiency Level**

Proficiency level is comprised of three levels: master, comprehend, and know-about. Each defines the minimum requirement for the candidates' competency in applying professional knowledge.

- (1) Master: An examinee shall fully understand and apply the knowledge related to the learning object in the exam and fund practice.
- (2) Comprehend: An examinee shall fully understand the concept, idea, principle, meaning and scope of the knowledge related to the learning object.
- (3) Know-about: An examinee shall have a basic knowledge of what is related to the learning object.

**3. Examination Contents and Proficiency Requirements**

An examinee shall, based on the examination contents of this subject and requirements for proficiency level, understand or use the following applicable laws, regulations, professional ethics and code of conduct in daily work, stick to the professional values, comply with the professional ethics and maintain the professional attitude.

<b>Name of chapters of the textbooks</b>	<b>Name of sections</b>	<b>SN</b>	<b>Learning objectives The candidate should be able to (Master /Comprehend/ Know-about)</b>
1. Financial market, Asset Management and Investment Funds	1. Households' wealth management and Financial market	1.1.a	Comprehend the concept of financial assets, relationship between finance and households' wealth management, classification and composition of financial market
	2. Financial assets and asset management industry	1.2.a	Comprehend the features of asset management and the functions of asset management industry

	3. Development of China's asset management industry	1.3.a	Comprehend each type of asset management business
	4. An introduction of investment funds	1.4.a	Master the definition and main types of investment funds
2. Overview of Securities Investment Funds	1. Concept and features of securities investment funds	2.1.a	Know about the concept of securities investment fund and its terms in different regions
		2.1.b	Master the basic features of securities investment funds
		2.1.c	Comprehend the comparison between securities investment funds and other financial instruments
	2. Operation and participants of securities investment funds	2.2.a	Know about the operational process of fund industry, including fund raising, marketing, investment management, custody, registration, valuation and accounting, and information disclosure
		2.2.b	Comprehend the main participants of fund industry and their functions and operational relationships
	3. Legal forms and operation approaches of securities investment funds	2.3.a	Comprehend the differences between corporate funds and contractual funds, open-end funds and closed-end funds
	4. Origin and development of securities investment funds	2.4.a	Know about the origin, historical development, development trend and features of securities investment funds
	5. Historical development of securities investment funds industry in China	2.5.a	Know about the five phases of securities investment funds development in China, as well as features and representative products of each phase
6. Position and role of securities investment funds industry in financial system	2.6.a	Comprehend the roles of investment funds to small- and mid-cap investors, to financial structure and economy, and to securities market	
3. Types of Securities Investment Funds	1. Overview of classification of securities investment funds	3.1.a	Master the standards of classification and primary types of funds
	2-5. Primary types of funds: equity funds, bond funds, money market funds	3.2-5.a	Master the primary types of funds and their respective features

	and hybrid funds		
	6-10. Special types of securities investment funds: strategic hedge fund, ETF, QDII and structured fund, FOF	3.6-10.a	Comprehend the features of each special type of funds in the market
4. Regulation on Securities Investment Funds	1. Overview of regulation on funds	4.1.a	Master the concepts, systems, principles and objectives of regulations on funds
	2. Regulatory authorities and self-disciplinary organizations of fund industry	4.2.a	Master the regulatory duties and measures of China Securities Regulatory Commission (the "CSRC") regarding the fund industry
		4.2.b	Master the self-disciplinary management of the industry by self-disciplinary organizations
		4.2.c	Comprehend the main contents of the articles of Asset Management Association of China (the "AMAC")
	3. Regulation on funds institutions	4.3.a	Master the regulations on fund management companies
		4.3.b	Master the regulations on fund custodians
		4.3.c	Master the regulation on fund service institutions
	4. Regulation on publicly offered funds	4.4.a	Master the regulations on raising and sales activities of the publicly offered funds
		4.4.b	Master the regulations on investment and trading activities, information disclosure, general meeting of fund shareholders of the publicly offered funds' operations
	5. Regulation on non-publicly offered funds	4.5.a	Master the registration of non-publicly offered fund managers
		4.5.b	Master the regulation on fund-raising of non-publicly offered funds
		4.5.c	Master the record-filing, custody, and sales requirements of non-publicly offered funds
		4.5.d	Master the code of conduct for operations of non-publicly offered funds
		4.5.e	Master information disclosure and filing system of non-publicly offered funds
	5. Professional Ethics of Fund Practitioners	1. Morality and professional ethics	5.1.a
5.1.b			Comprehend the relationship between morality and law

	2. Code of professional ethics of funds	5.2.a	Know about the contents of professional ethics of fund practitioners
		5.2.b	Master the concept of, and basic requirements for compliance with applicable laws and regulations
		5.2.c	Master the concept of, and basic requirements for good faith
		5.2.d	Master the concept of, and basic requirements for professionalism and prudence
		5.2.e	Master the concept of, and basic requirements for client-orientation
		5.2.f	Master the concept of, and basic requirements for loyalty and due diligence
		5.2.g	Master the concept of, and basic requirements for confidentiality
	3. Education and cultivation of professional ethics	5.3.a	Comprehend the contents and methods of education and cultivation of professional ethics
16. Fund-raising, Trading and Registration of Funds	1. Fund-raising and IPO subscription of funds	16.1.a	Master the concept and procedures of fund-raising
		16.1.b	Master the conditions for fund contract to take effect
		16.1.c	Know about the reform of registration system of fund products
		16.1.d	Master the concept of fund IPO subscription
		16.1.e	Know about the method and procedures of IPO subscription of various types of funds (open-end fund, LOF, ETF, QFII, closed-end fund)
	2. Trading, subscription and redemption of fund shares	16.2.a	Master the concepts of subscription and redemption of open-end fund shares
		16.2.b	Master the fee structure of subscription and redemption of open-end fund shares
		16.2.c	Comprehend the concepts of conversion and non-trade transfer of open-end fund shares and related calculations of shares and amount.
		16.2.d	Comprehend the concept of huge redemption and the methods to deal with it
		16.2.e	Comprehend the methods and process of trading of different products (ETF, LOF, closed-end fund, QDII and other innovative products)
	3. Registration of funds	16.3.a	Comprehend the concept of registration of fund shares
		16.3.b	Know about the current approach of registration

		16.3.c	Master the duties and responsibilities of registration authorities and registration procedure of fund shares	
20. Information Disclosure of Funds	1. Overview of information disclosure of funds	20.1.a	Master the functions, principles and contents of funds information disclosure	
		20.1.b	Master the prohibited activities in the funds information disclosure	
		20.1.c	Know about the funds information disclosure system and application of XBRL	
	2. Information disclosure obligations of major parties of funds	20.2.a	Comprehend the primary information disclosed by the fund management companies	
		20.2.b	Comprehend the primary information disclosed by the fund custodians	
	3. Information disclosure of fund-raising	20.3.a	Comprehend the key provisions in the fund contract, the custody agreement and other relevant legal documents	
		20.3.b	Comprehend the primary contents in the prospectus of a fund	
	4. Information disclosure of funds operation	20.4.a	Master the types of announcements of fund's NAV and timing requirements	
		20.4.b	Comprehend the special regulations on information disclosure by money market funds	
		20.4.c	Comprehend the relevant regulations on regular disclosure of funds	
		20.4.d	Comprehend the relevant regulations on disclosure on listing and trading of funds and interim information disclosure	
	5. Information disclosure of special fund products	20.5.a	Comprehend the special regulations and requirements on information disclosure of QDII	
		20.5.b	Comprehend the special regulations and requirements on information disclosure of ETF	
	21. Fund Clients and Fund Distributors	1. Classification of fund clients	21.1.a	Know about the types of fund investors, composition of fund clients and selection of target clients
		2. Fund distributors	21.2.a	Master the primary types and current status of fund distributors
21.2.b			Know about the development trend of various fund distributors	
21.2.c			Master the entry requirements for fund distributors	
21.2.d			Master the duties and responsibilities of fund distributors	

	3. Sale theory, approach and strategy of fund distributors	21.3.a	Know about the sales approaches of fund management companies and fund distributors
		21.3.b	Comprehend the specialities of marketing and major sale strategies of funds
22. Code of Conduct and Information Management of Fund Sale Activities	1. Code of conduct of personnel from fund distributors	22.1.a	Comprehend the qualification requirements, personnel management and training of fund salesperson
		22.1.b	Master the code of conducts of fund salesperson
	2. Regulations on fund marketing materials	22.2.a	Comprehend the scope and filing procedures of marketing materials
		22.2.b	Master the guiding requirements and prohibitions on the marketing materials
		22.2.c	Comprehend the rules on disclosure of performance in marketing materials and other related requirements
		22.2.d	Comprehend the disclosure requirements for money market funds
	3. Regulations on fund sale charges	22.3.a	Master the regulatory requirements on fund fee charges (regulations, fee structure and rate of charges)
		22.3.b	Master other regulations on sales charges
	4. Suitability of fund sales and investors	22.4.a	Master the guiding principle, management system and implementation measures of the suitability of fund sales and investors
		22.4.b	Comprehend the requirements for due diligence on sales channels in respect of the suitability of fund sales and investors
		22.4.c	Master the requirements for product risk assessment in respect of the suitability of fund sales and investors
		22.4.d	Master the regulatory requirements for review and assessment of fund investors' tolerance in respect of suitability rules
		22.4.e	Master the conditions and mutual conversions between ordinary investors and professional investors
		22.4.f	Master the contents of special protection for ordinary investors
	5 Information management of fund sales	22.5.a	Know about the management on operation information, client information and sales channel information in respect of fund sales
	6. Code of conduct for sales of non-publicly offered funds	22.6.a	Comprehend the code of conduct for sales of non-publicly offered funds
		22.6.b	Master penetrated calculation of number of qualified investors, risks reminder,

			qualification review, cooling-off period for investment, revisiting, etc.
23. Client Service of Fund Management Companies	1. Overview of client service	23.1.a	Know about the features, principles and contents of fund client service
	2. Process of client service	23.2.a	Comprehend the process of client service
	3. Investor protection and education	23.3.a	Comprehend the concept, significance and basic principles of investors protection
		23.3.b	Comprehend the contents and form of education on investors
24. Corporate Governance and Risk Management of Fund Management Companies	1. Corporate governance	24.1.a	Master regulatory requirements for fund management companies' corporate governance
	2. Organization structure	24.2.a	Master organization structure of fund management companies
	3. Risk management	24.3.a	Master the objectives and principles of fund management companies' risk management
		24.3.b	Master the organizational structure and functions of fund management companies' risk management
		24.3.c	Master risk classification and risk management procedures of a fund management company
25. Internal Control of Fund Management Companies	1. Objective and principle of internal control	25.1.a	Comprehend the significant and basic concept of internal control of a fund management company
		25.1.b	Master the objectives and principles of internal control of a fund management company
	2. Internal control mechanism	25.2.a	Master the four levels of internal control of a fund management company
		25.2.b	Master the basic elements of internal control of a fund management company
	3. Internal control system	25.3.a	Comprehend the composition of internal control system
	4. Scope of internal control	25.4.a	Know about controls over the front office, middle office and back office of a fund management company
		25.4.b	Comprehend the controls over investment management and sales of a fund management company
		25.4.c	Comprehend the controls over information disclosure and information technology of a fund management company
25.4.d		Comprehend the controls over accounting system and monitoring system of a fund management company	
26. Compliance	1. Overview of	26.1.a	Master the basic concept of compliance

Management of Fund Management Companies	Compliance Management		management
		26.1.b	Master the objectives and basic principles of compliance management
	2. Setup of compliance management organizations	26.2.a	Comprehend the settings of compliance management department
		26.2.b	Comprehend the compliance responsibilities for business departments
	3. Scope of compliance management	26.3.a	Master the principal activities of compliance management
4. Compliance risks	26.4.a	Comprehend the categories and principal management measures of compliance risks	

**Reference Laws and Regulations:**

1. *"Measures for the Registration of Private Fund Managers and the Filing of Funds (for Trial Implementation)"* (Zhong Ji Xie Fa [2014] No. 1)
2. *"Administrative measures on information disclosure of privately-raised investment funds"*;
3. *"Administrative measures on out-sourcing business of privately-raised investment funds"*;
4. *"Guidelines for internal control of privately-raised investment fund managers"*.