

Capital Market Authority's Qualification Examinations Guide





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Introduction

The Capital Market Authority ("CMA") is keen on providing professional qualified cadres to work in the securities industry in the Saudi capital market. Thus, the CMA has developed a series of qualification examinations, which are required from the persons to be registered with the CMA, in order to ensure their efficiency and professionalism in performing their registrable functions within the Capital Market Institutions.

In October 2022, the CMA approved the development of a series of qualification examinations for the employees performing their functions within the capital market Institutions. The development of qualification examinations comes as part of the efforts exerted to raise the level of knowledge and skills and to enhance competencies of the employees working in the capital market to cope with the latest developments witnessed by the international capital markets in regards to practices, in addition to the recent updates to the CMA's Implementing Regulations.

This guide sheds the light on the most prominent features of the CMA's qualification examinations and their new series which the CMA has developed in cooperation with the Financial Academy and the Chartered Institute for Securities and Investment (CISI).



CMA's Previous and New Qualification Examinations

CMA's Previous Examinations	CMA's New Examinations
The General Securities Qualification Examination (CME-1) Securities Operations	International Introduction to Securities and Investment (CME-1A)
The General Securities Qualification Examination (CME-1) Securities Rules and Regulations	General Saudi Capital Market Rules and Regulations (CME-1B)
The Compliance & AML/CTF module (CME-2)	Global Financial Compliance (CME-2A)
	Saudi Capital Market Rules and Regulations – Compliance, Anti-Money Laundering and Combating the Financing of Terrorism (CME-2B)
The Broker-Dealer Qualification Certificate (CME-3)	Securities (CME-3A)
	Saudi Capital Market Rules and Regulations– Brokers (CME-3B)
The International Certificate in Wealth & Investment Management	The International Certificate in Wealth & Investment Management (CME-4A)
-	Saudi Capital Market Rules and Regulations –Asset Managers (CME-4B)
The Corporate Finance Technical Foundations	The Corporate Finance Technical Foundations (CME-5A)
-	Saudi Capital Market Rules and Regulations – Corporate Finance (CME-5B)



New Qualification Examinations Required as per Registrable Functions

No. of Examinations	Registrable Function	Required Examinations
2	General Registrable Functions	International Introduction to Securities and Investment (CME-1A)
		General Saudi Capital Market Rules and Regulations (CME-1B)
3	Compliance and Anti-Money Laundering and Combating the Financing of Terrorism	General Saudi Capital Market Rules and Regulations (CME-1B)
		Global Financial Compliance (CME-2A)
		Saudi Capital Market Rules and Regulations – Compliance, Anti-Money Laundering and Combating the Financing of Terrorism (CME-2B)
2	Securities Brokers	Securities (CME-3A)
		Saudi Capital Market Rules and Regulations – Brokers (CME-3B)
2	Persons to be Registered under managing Activity	International Certificate in Wealth and Investment Management (CME-4A)
		Saudi Capital Market Rules and Regulations – Asset Managers (CME-4B)
2	Corporate Finance Professionals	Corporate Finance Technical Foundations (CME-5A)
		Saudi Capital Market Rules and Regulations – Corporate Finance (CME-5B)



Contents of CMA's New Qualification Examinations

International Introduction to Securities and Investment (CME-1A)

Financial Services Sector

Economic Environment

Assets and Capital Markets

Equity Rights

Bonds

Financial Derivatives

Investment Funds

Regulations and Ethical Principles

Other Financial Products

General Saudi Capital Market Rules and Regulations (CME-1B)

Introduction to the Capital Market Authority

Anti-Money Laundering and
Counter-Terrorist Financing Laws

Securities Business Regulations

Authorisation

Capital Market Institutions Regulations

Systems and Controls

Regulatory Requirements

Prohibitions

Global Financial Compliance (CME-2A)

International Regulatory Environment

Governance, Risk Management
and Compliance

Managing the Risk of Financial Crimes

Ethics, Integrity and Fairness

Compliance Function

Saudi Capital Market Rules and Regulations – Compliance, Anti-Money Laundering and Combating the Financing of Terrorism (CME-2B)

Capital Market Institutions Regulations

Investment Funds Regulations

Corporate Finance

Investment Accounts Instructions

Market Conduct Regulations

Anti-Money Laundering (AML)

Combating the Financing of Terrorism (CFT)



Contents of CMA's New Qualification Examinations

Securities (CME-3A)

Financial Services Sector	Asset Classes	Board's Resolutions
Clearing and Settlement	Secondary Markets	Accounting Analysis
Primary Markets	Risks and Returns	Markets

Saudi Capital Market Rules and Regulations– Brokers (CME-3B)

Market Conduct	Capital Market Institutions Conduct
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International Certificate in Wealth and Investment Management (CME-4A)

Financial Services Sector	Regulations Governing Financial Sector	Financial Asset Classes
Collective Investments	Credit Relations	Investment Analysis
Investment Management	Lifetime Financial Planning	

Saudi Capital Market Rules and Regulations –Asset Managers (CME-4B)

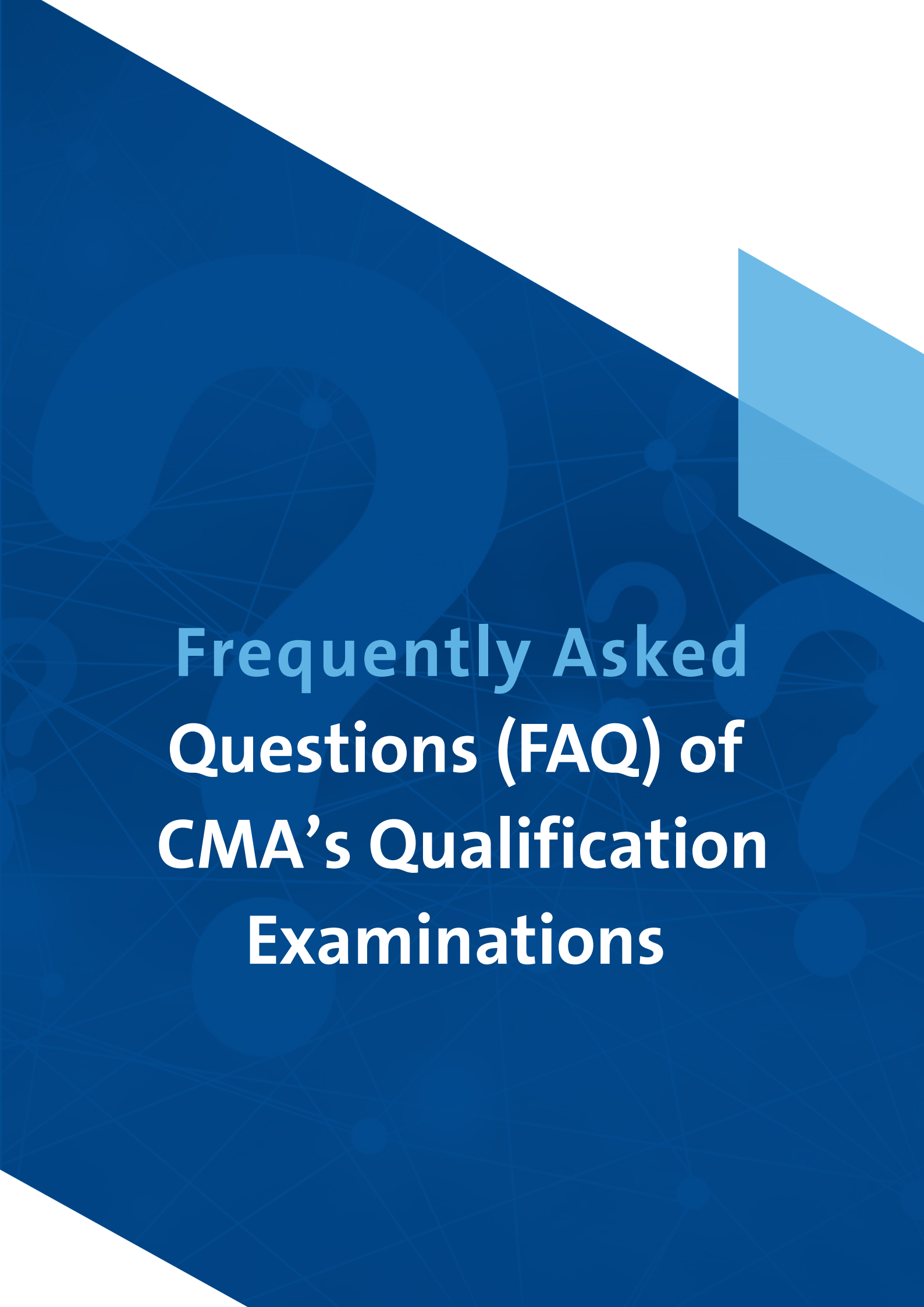
Investment Funds Regulations	Real Estate Investment Funds Regulations	Market Conduct Regulations
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Corporate Finance Technical Foundations (CME-5A)

Using Technical Methods for Corporate Finance	Financial Statements Analysis	Capital Structure
Introduction to Business Valuations	Corporate Transactions	Documentation of Corporate Finance Deals

Saudi Capital Market Rules and Regulations – Corporate Finance (CME-5B)

Rules on the Offer of Securities and Continuing Obligations	Special Purpose Entities	Regulation of Mergers and Acquisitions
Regulation of Corporate Governance		



Frequently Asked Questions (FAQ) of CMA's Qualification Examinations



“What are the Qualification Examinations for Employees in the Capital Market?”

The Qualification Examinations are examinations for those who are interested to work in the registrable functions in the Capital Market Institutions to ensure quality of cadres available in the labor market.

“Why CMA has developed the Qualification Examinations ?”

The CMA’s development of qualification examinations comes as part of the efforts exerted to raise the level of knowledge and skills and enhance competencies of the employees working in the capital market to cope with the latest developments witnessed by the international capital markets. The CMA, in cooperation with the Financial Academy and the Chartered Institute for Securities and Investment (CISI), worked on a project for developing the CMA’s previous examinations and issue new examinations that meet the market’s needs.



“Who are the targeted categories for these Qualification Examinations?”

The employees of the capital market institutions in the registrable functions.

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“What are the Key Elements of Development of Qualification Examinations?”

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The key elements of development of qualification examinations are as follows:

1- The latest updates related to practices and concepts relevant to the securities and securities markets, investment fields, compliance, and asset management and corporate finance.

2- The latest updates on the approved Implementing Regulations relevant to registrable functions or the capital market institutions.



When the CMA's Qualification Examinations were "issued? What are the New Series of Examinations

The Capital Market Authority ("CMA") has approved the examinations for the first time in 21/05/1426 H, corresponding to 28/06/2005. In October 2022, The CMA approved the launch of the new package of CMEs to reflect the updates in CME's Implementing regulations and to capture the latest developments in the global markets. This requires providing highly-qualified professional cadres to work in the capital markets.

The new series of the CMA's Qualification Examinations for registrable functions include the following:

- 1- International Introduction to Securities and Investment (CME-1A).
- 2- General Saudi Capital Market Rules and Regulations (CME-1B).
- 3- Global Financial Compliance (CME-2A).
- 4- Saudi Capital Market Rules and Regulations – Compliance, Anti-Money Laundering and Combating the Financing of Terrorism (CME-2B).
- 5- Securities (CME-3A).
- 6- Saudi Capital Market Rules and Regulations– Brokers (CME-3B).
- 7- Saudi Capital Market Rules and Regulations –Asset Managers (CME-4B).
- 8- Saudi Capital Market Rules and Regulations – Corporate Finance (CME-5B)

The International Certificate in Wealth and Investment Management (CME-4A) and the Corporate Finance Technical Foundations (CME-5A), which were previously released, shall be valid.

This is in order to meet the requirements of Paragraph (D) of Article (21) of the Capital Market Institutions Regulations entitled "Requirements for Application for Registration" which stipulated that: "An applicant for registration must have passed the qualification examinations required by the Authority, or secured an exemption from the Authority from such requirement".



“What are the Most Prominent Entities Cooperating with the CMA in the Qualification Examinations Project?”

The CMA is cooperating with the Financial Academy and the Chartered Institute for Securities and Investment (CISI) in relation to developing the CMA’s qualification examinations.

What is the Status of the Persons Who Passed the CMA's previous Qualification Examinations?

All persons who passed the previous CMA's qualification examinations shall be qualified for registration with the CMA as per the requirement of every registrable function without the need for registering in the CMA’s new qualification examinations. The said step comes as a part of the CMA’s wish to support the sector and to help the market to cope with these changes.

“What are the academic qualifications required for registering in these examinations?”

There are no academic qualifications required for registering in these Examinations.



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“What is CME-1A Exam?”

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The International Introduction to Securities and Investment Certificate is a foundational certificate offered by CISI to those who wish to work in the capital markets. It covers a number of related topics such as introduction to the financial services sector, the economic environment, assets and capital markets, investment funds, regulations and ethical principles as well as other financial products.

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“What is CME-1B Exam?”

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The General Saudi Capital Market Rules and Regulations is a foundational regulatory certificate that gives an overview of the Saudi capital market. In addition, it covers the most prominent topics related to the CMA regulations, such as the Securities Business Regulations, the Capital Market Institutions Regulations, in addition to the Anti-Money Laundering and Counter-terrorist Financing Rules, prohibitions and systems and controls

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“What is CME-2A Exam?”

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The Global Financial Compliance Certificate is one of the specialized certificates offered by CISI to those who are engaged in the field of compliance. It covers a number of compliance-related topics such as the international regulatory environment, the compliance function, managing the risk of financial crimes, ethics, integrity and fairness, governance, risk management and compliance.



“What is CME-2B Exam?”

This certificate provides persons to be registered to perform Compliance, Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) functions with the knowledge of the CMA’s Rules and Regulations. It covers several regulations such as the Capital Market Institutions Regulations, Investment Funds Regulations, Market Conduct Regulations, rules related to corporate finance, Investment Accounts Instructions as well as AML and CTF.

“What is CME-3A Exam?”

The Securities certificate is one of the specialized certificates offered by CISI to workers in the field of brokerage. The certificate includes a number of topics related to the field of brokerage, such as the financial services sector, asset classes, primary and secondary markets, in addition to topics related to clearing and settlement.

“What is CME-3B Exam?”

This certificate is required from a person to be registered as a broker. It covers topics related to the brokerage function such as the Market Conduct Regulations which covers for example legislations related to the prohibition of manipulative and deceptive acts or practices and insider trading.



“What is CME-4A Exam?”

The International Certificate in Wealth & Investment Management covers the essentials of financial planning, private client asset management, fund management, advisory functions and investment analysis from a global perspective. The qualification will ensure that candidates have the knowledge and understanding of assets and investment products available in the capital markets, and find appropriate solutions to meet the investment, retirement and protection planning needs for clients i.e. investors.

It is required for all candidates to be registered under the Management activity such as fund managers, investment portfolio managers and investment analysts in the asset and portfolio management functions.

“What is CME-4B Exam?”

This certificate provides persons to be registered under the management activity (such as fund managers, investment portfolio managers, and investment analysts working in asset management and investment portfolio) with the knowledge of CMA’s Implementing Regulations. It covers topics related to Investment Funds Regulations, Real Estate Investment Funds Regulations and Market Conduct Regulations.



“What is CME-5A Exam?”

The Corporate Finance Technical Foundations provided by the Chartered Institute for Securities and Investment (CISI) is designed for those who are interested to work as a corporate finance professional. The certificate encompasses the basic concepts required to work in the field of corporate finance, as well as related topics - including but not limited to – quantitative methods for corporate finance, financial statements analysis, capital structure, and business valuations.

This certificate is required from those who are going to be registered as corporate finance professional.

“What is CME-5B Exam?”

This certificate provides persons to be registered as corporate finance professional with the knowledge of the CMA’s Implementing Regulations. It covers several regulations such as the Rules on the Offer of Securities and Continuing Obligations, special purpose entities, the Regulation of Mergers and Acquisitions, in addition to the Regulation of Corporate Governance.



What are the fees for CMEs?

The table below shows the fees of CMEs:

Exam Name	Type	First Time Registration		Re-registration	
		Consideration	Total (SAR)	Consideration	Total (SAR)
International Introduction to Securities and Investment (CME-1A)	Technical	1100	2200	650	1600
General Saudi Capital Market Rules and Regulations (CME-1B)	Regulatory	1100		950	
International Introduction to Securities and Investment (CME-2A)	Technical	1600	2500	1200	1900
Saudi Capital Market Rules and Regulations – Compliance, Anti-Money Laundering and Combating the Financing of Terrorism (CME-2B)	Regulatory	900		700	
Securities (CME-3A)	Technical	1600	2500	1200	1900
Saudi Capital Market Rules and Regulations– Brokers (CME-3B)	Regulatory	900		700	
International Certificate in Wealth and Investment Management (CME-4A)	Technical	1600	2500	1200	1900
Saudi Capital Market Rules and Regulations –Asset Managers (CME-4B)	Regulatory	900		700	
Corporate Finance Technical Foundations (CME-5A)	Technical	1500	2400	1020	1720
Saudi Capital Market Rules and Regulations – Corporate Finance (CME-5B)	Regulatory	900		700	



“Are Non-Saudis Allowed to register for the CMA’s Qualification Examinations?”

The CMA’s Qualification Examinations are available for all persons, Saudis and non-Saudis.

“How can I access the Materials of These Qualification Examinations?”

An e-copy of the examinations materials can be accessed by visiting the examinations page available on the Financial Academy website.



For more Information



Thank You