

**ASX
ACCREDITED
DERIVATIVES
ADVISER (ADA)**



LEVEL 1 & LEVEL 2 COURSES



INTRODUCTION

In 1998 the Australian Securities Exchange (ASX) introduced an accreditation process for Representatives of Market Participants who advise or make recommendations to retail clients on ASX exchange traded options and warrants (including instalment warrants).

As part of the accreditation process, ASX has written the self study course manuals and the accreditation exams. Kaplan Professional is responsible for the administration and assessment procedures, as agent for ASX. Any queries relating to the ASX Accredited Derivatives Adviser Program should be directed to Kaplan Professional Student Services Helpline on 1300 662 203.

Who has to be accredited?

Any adviser who advises or makes recommendations to retail clients on ASX exchange traded options and warrants must be accredited by ASX. Recommendations in research reports are also regarded as advice.

Who may sit the exams?

Anyone may sit the ADA exams, however, only Representatives of ASX Market Participants may be accredited. Advisers must be accredited within two years of sitting an ADA exam.

Advisers may apply for an exemption from sitting the ADA exam(s) by satisfying the requirements set out in ASX Market Rule 8.6.

Levels of Accreditation

There are two levels of accreditation based on the type of derivatives transactions on which the adviser proposes to advise. For each level of accreditation there is an examination.

Level One Accreditation (ADA1)

This is required for advisers proposing to advise on basic derivatives transactions including:

- taking (buying) options
- writing (selling) options, but only for the purpose of closing out a position or writing fully covered call options
- subscribing for and buying and selling warrants
- exercising warrants and options.

Level One Accredited Derivatives Adviser Examination

The examination consists of an online closed book exam containing 90 multiple-choice questions. Candidates have 120 minutes to complete the exam and are required to achieve a pass mark of 80% i.e. 72 out of 90. If this mark is not achieved, candidates are required to re-sit the exam.

Questions test factual recall, the use of concepts and rules and practical application of knowledge regarding ASX exchange traded options and warrants. Examination questions may be drawn from the following areas as they relate to options and warrants:

- pricing mechanics
- trading mechanics
- exercise procedures
- contract specifications
- product selection
- strategy selection
- order execution
- position management
- relevant ASX Market Rules and ACH Clearing Rules.

Level Two Accreditation (ADA2)

This is required for advisers proposing to advise on all ASX exchange traded options and warrants products and strategies, including those covered by Level One Accreditation. ADA 2 is required for strategies that may expose the client to potential margin calls:

- writing options (including uncovered writing)
- multi-legged option strategies such as spreads, straddles and strangles.

Level Two Accredited Derivatives Adviser Examination

The examination consists of an online closed book exam containing 50 multiple-choice questions. Candidates have 90 minutes to complete the exam and are required to achieve a pass mark of 80% i.e. 40 out of 50. If this mark is not achieved, candidates are required to re-sit the exam.

Questions test factual recall, the use of concepts and rules, and practical application of knowledge regarding ASX exchange traded options and warrants. Examination questions may be drawn from the following areas, in addition to Level One content:

- strategy selection
- product selection
- assignment
- margining and collateral cover
- position management
- client accounting and documentation.

Please note that in order for advisers to become eligible to apply for Level Two Accreditation, an adviser must pass both the Level One and Level Two accreditation examinations.

ASX ACCREDITED DERIVATIVES (ADA) – LEVEL 1 & 2 COURSES

Is there a limit on the number of attempts at the exam?

Yes. Candidates will be allowed three attempts to pass the exam (i.e. the first attempt and 2 resit exams). If a candidate fails the third attempt, Market Participants will have to apply to Kaplan Professional for nominees to sit again. This form is available on the Kaplan Professional website. Candidates must satisfy a three month waiting period before they will be eligible to resit after three attempts.

What training is available?

A self-study manual is included in the registration fee for each level. Candidates will receive the manual within 5 business days of enrolment.

Is there a fee to sit the accreditation examinations?

Yes, the scale of fees is detailed below:

FEES	ADA1	ADA2
Enrolment (includes self study and first exam)	\$400	\$350
Resit exam	\$100	\$100

Note: Prices valid until 31 December 2010.

How do candidates enrol?

To enrol in either ADA1 or ADA2 candidates must complete the ADA Enrolment Form (available on the Kaplan Professional Website) and return it to Kaplan Professional, along with payment. Upon enrolment, 2 deadlines are created. The first is four months from enrolment and this is the date by which the first attempt at the exam must be taken. The second is 6 months from the date of enrolment and this is the date by which all resits must be completed.

Candidates will receive a letter confirming receipt of enrolment and containing a student number. They will also receive an email notifying them of their password to My Kaplan a personalised section of Kaplan Professional website, where candidates can sit the online exam, view their exam results and update personal details.

Can an extension of these dates be requested?

Yes, if a candidate is unable to meet a particular deadline, an extension can be requested which extends this and any future deadlines by 4 months. The request for extension must be lodged before the applicable deadline otherwise course re-enrolment will be required. A limit of one extension per course applies. If an updated version of the course material is available, the cost of an extension is \$150. If no updated version is available an extension may be granted free of charge. If an updated course is supplied, candidates will be assessed against this new version. Application forms are available on the Kaplan Professional website.

Is it possible to cancel an enrolment?

Refunds will only be considered, and must be requested in writing, within one month of enrolment. A \$100 administration fee will be charged at this time for processing.

How do candidates make a booking to sit an accreditation examination?

To book an exam, candidates must complete the ADA Exam Booking Form available on the Kaplan Professional website. Exams can either be held at the candidate's business premises or at a Kaplan Professional office. Five (5) days notice is required and is subject to availability.

All amendments/cancellations or failure to attend an exam/assessment as per nominated on exam/assessment booking form will incur a \$50 fee.

When and where are the accreditation examinations held?

Exams will only be held during business hours (9am–5pm Monday to Friday) and conditions applying to the exam arrangements are detailed on the ADA Exam Booking Form. As mentioned above, exams can be held either at the candidate's business premises or at Kaplan Professional premises in Sydney, Melbourne, Brisbane or Perth. Details of Kaplan Professional office exam times can be found on the Kaplan Professional website.

How are the online exams conducted?

All exams must be supervised by an independent invigilator. To access the exam, candidates will need to log onto the Kaplan Professional website. If completing an exam at the candidate's office, it is important that the computer has reliable internet access and Microsoft Internet Explorer 5.0 or higher.

Candidates will need to bring their Kaplan Professional student ID and relevant password to the exam and photo identification. They will also need a financial calculator and a pen.

The exam will be waiting under the candidates profile on the internet. It can only be accessed once and requires the supervisor to enter a high level password to start the exam. If the exam security is breached in any way, Kaplan Professional reserves the right to cancel the exam immediately.

Exam conditions are maintained at all times throughout the exam and no access to printers, mobiles, emails or file saving is allowed during the exam.

What if a candidate has lost or forgotten their Kaplan Professional password?

Candidates who have lost or forgotten their password should go to the Kaplan Professional website at www.kaplanprofessional.edu.au, click on “Forgotten Password?” on the right hand side of the screen, and complete the “Forgot Your Password” screen. An email will be sent containing the candidate’s new password. This must be completed at least 24 hours before the exam as candidates will not be able to sit the exam without their password.

How soon will candidates know their exam result?

Results will be available online immediately after the candidate completes the exam.

In order to streamline the process for adviser’s accreditation all hard copy results and certificates are sent to your compliance manager. You are required to provide your compliance manager’s contact details when filling out the enrolment form. If you do not wish your results to be sent to your compliance manager, please tick the checkbox “Send all results to me” on the enrolment form.

What if the candidate is unsuccessful at the first attempt and a resit is required?

Candidates who are unsuccessful on the first attempt are allowed two more attempts at the exam. A resit fee of \$100 applies for each attempt. To register for a resit, both an ADA Exam Resit Payment Form and an ADA Exam Booking Form (both available on the Kaplan Professional website) must be completed and submitted together.

If a candidate fails the third attempt, Market Participants will have to apply to Kaplan Professional for nominees to sit again and the fees detailed above will apply. This form is also available on the Kaplan Professional website.

Must all Accredited Derivatives Advisers be RG 146 compliant, and how is this achieved?

Yes, those who give advice or make recommendations to retail clients on derivatives products are required to be ASIC RG 146 compliant in the areas of Generic Knowledge and Derivatives. If that advice is personal in nature, as opposed to general, they also have to meet the ASIC skill requirements.

ADA1 is listed on the ASIC Register as meeting the requirements for Generic Knowledge and Derivatives. If the skills assessment is also successfully completed then the ASIC skill requirements are also met.

Remember, until the skills assessment is successfully completed, advisers are not entitled to give personal advice to retail customers. Details of the skills assessment are available from the Kaplan Professional website.

CPD for ADA Level 1 & 2 Course

The successful completion of the Level One exam counts towards six (6) hours of compliance and four (4) hours of structured continuing professional development (CPD) for Securities and Derivatives Industry Association (SDIA) members and successful completion of the Level Two exam counts towards four (4) hours of structured CPD.

What is the process for applying for accredited status?

The Market Participant is required to complete the appropriate application for accreditation or re-accreditation. The application states that the applicant has successfully completed the accreditation exam(s), or is exempt, and meets other criteria appropriate for the proposed level of accreditation.

All application forms relating to ASX Accredited Derivatives Advisers may be found on the Kaplan Professional website or at www.asx.com.au/adaprogram.

The application must be sent to Kaplan Professional for approval and Kaplan Professional will notify the Market Participant by email that accreditation has been approved. It is the Market Participant’s responsibility to notify the applicant of the status of the application. An accreditation certificate will be forwarded to the candidate within 5 business days.

What happens to an adviser’s accredited status if the adviser leaves the employment of a Market Participant?

If an adviser leaves the employment of a Market Participant, or ceases to be a Representative, the accreditation of the adviser is immediately withdrawn and the Market Participant must notify ASX within five business days from the date of withdrawal. Provided an adviser has complied with CPD requirements since the date accreditation was first granted, an adviser may be re-accredited as an ADA within a period of two years from the date of withdrawal of expiry of accreditation.

This enables an adviser to take up employment with another Market Participant and have their accredited status reinstated without necessarily having to resit an examination. This process of re-accreditation requires the new Market Participant to make an application using the requisite Application for Re-accreditation.

ADA Renewal and CPD

Accredited Advisers may be required to undertake continuing professional development as required by the ASX and all advisers must have their accreditation renewed every two years. Advisers will be notified of any CPD and renewal requirements.

The SDIA Professional & Development Advisory Group has agreed that successful completion of the CPE component of the ASX ADA Renewal program constitutes two (2) hours of compliance related Structured Continuing Professional Development for SDIA Members.

ASX ACCREDITED DERIVATIVES (ADA) – LEVEL 1 & 2 COURSES

Support

General enquiries should be directed to Kaplan Professional Student Services on 1300 662 203 between AEST 8.30am and 5.30pm.

Appeals and Complaints

Kaplan Professional takes complaints very seriously and as such determines to act on any complaint found to be substantiated. Resolutions of complaints or appeals (including, but not limited, to assessment disputes) will be through a three-tiered resolution structure.

1. Initially a Student Services Officer will handle the customer complaints and appeals and will provide a response within 48 hours.
2. If the customer feels that the resolution is not to their satisfaction then the matter will be outlined in writing and passed on to a Team Leader in Client Services for further investigation. The original decision will either be upheld or reversed or a compromise suggested in writing. The outcome or any further action required will be advised in writing within 72 hours of receipt of the written complaint.
3. The customer will then be granted the right of appeal to a person who is independent of the initial complaint. Depending on the nature of the complaint a number of senior staff members may investigate the matter. If the student feels the person appointed to investigate the complaint is not independent they may ask for an alternative senior staff member to be appointed to the matter. Any appeal must be outlined in writing and received from the customer within 30 days of receipt of the Team Leader's response. Kaplan Professional will seek to resolve customer complaints quickly and fairly and provide all correspondence in writing to the complainant.

Customer Feedback

Kaplan Professional welcomes customer feedback, at all stages of the learning, training and assessment process. We would appreciate any comments, criticism or suggestion you may be able to provide as a result of your experiences with Kaplan Professional.

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Privacy Notice

To provide you with educational products and services, Kaplan Professional requires you to provide us with the information requested on the application form. If you do not, we may be unable to accept your application or provide you with the requested products or services.

We deal with your personal information in accordance with our privacy policy which is available on request and on our website at www.kaplanprofessional.edu.au. In particular, we may use your information to disclose to third parties, such as ASX and your Market Participant, who have sponsored or facilitated your enrolment in the course or who assist us to provide products or services to you.

Please contact us if you would like access to your personal information.

Student Services

Phone: 1300 662 203

Kaplan Professional

GPO Box 9995
Sydney NSW 2001

Email: mail@kaplan.edu.au

Website: www.kaplanprofessional.edu.au

ASX ACCREDITED DERIVATIVES (ADA) – LEVEL 1 & 2 COURSES

ENROLMENT FORM

Personal Details

Mr | Mrs | Ms | Miss (Please circle)

First Name			Last Name		
Job Title			Organisation		
Tel (w)	(h)		(m)		Fax
Email					D.O.B
Kaplan Professional Student ID					

Course Delivery Details (must be daytime delivery address and will be used for all correspondence)

Address			Assessment time		
Suburb		State		Postcode	

All results will be sent to the Compliance Manager / contact you name below.

ASX Market Participant:

Compliance Manager/Contact Name:			Tel (w)		
Compliance Manager/Contact Address:					

Alternatively send all results to me

I wish to enrol in: (please tick)

ADA – Level 1 – \$400

ADA – Level 2 – \$350

*Prices are valid until 31 December 2010.

Mandatory Statement

I understand an Exam Booking Form must also be completed before I can sit the ASX ADA Exam and that I must give Kaplan Professional 14 days notice of exam venue and time to enable an invigilator to be appointed. I authorise Kaplan Professional to release my results to third parties (such as the ASX or my Compliance Manager) and have read and agree to Kaplan Professional Privacy Policy. I also acknowledge that if my conduct breaches any Kaplan Professional exam rules that my exam may be automatically disqualified.

Signature: _____

Payment Details

I am paying for _____ (number of ASX ADA Exams) @ \$ _____ per exam per candidate = \$ _____

Invoice Company Only available to approved companies. Invoices will be sent to the address specified on your debtor card.

Name:	Phone Number:	Debtor ID:
Email Address:	Signature*:	

*To authorise this invoice request you must be an existing contact on your company debtor card with Kaplan Professional. In the absence of an authorised signature an email will be sent for approval of enrolment.

Cheque (Please make cheque payable to Kaplan Education Pty Ltd) Cheque No. _____

Mastercard **Visa**

Card Number _____ Expiry Date ____ / ____ Total \$ _____

Cardholder's Name _____ Cardholder's Signature _____



ASX ACCREDITED DERIVATIVES (ADA) – LEVEL 1 & 2 COURSES

EXAM BOOKING FORM - KAPLAN VENUE

Kaplan Education Pty Ltd. ABN 54 089 002 371

Please complete all fields in the following form. Incomplete forms will result in delays to exam bookings.

Exam Type : ASX ADA Exam - Online*

*Email address must be included for all online exams. It is also used to confirm exam bookings.

Exam Details

Exam Date: _____ Exam Time: _____

Person Booking Exam: _____ Organisation: _____

Contact Number: _____ Email: _____

Kaplan Exam Venue : Sydney Melbourne Brisbane Perth

*see next page for exam booking at your own venue.

Candidates Details

Candidate Name	Kaplan Student Number	Exam Type please tick		TOTAL
		FIRST SIT	RESIT	
		<input type="checkbox"/> NO CHARGE	<input type="checkbox"/> \$100	
		<input type="checkbox"/> NO CHARGE	<input type="checkbox"/> \$100	
		<input type="checkbox"/> NO CHARGE	<input type="checkbox"/> \$100	
		<input type="checkbox"/> NO CHARGE	<input type="checkbox"/> \$100	
			Total	\$

If you have more than 4 candidates please provide a separate attachment.

Accredited Derivatives Adviser Level 1 (ADA1)

Accredited Derivatives Adviser Level 2 (ADA2)

* Prices are GST free and valid until 31 December 2010

Payment Details

Invoice Company Only available to approved companies. Invoices will be sent to the address specified on your debtor card.

Name: _____ Phone Number: _____ Debtor ID: _____

Email Address: _____ Signature*: _____

*To authorise this invoice request you must be an existing contact on your company debtor card with Kaplan Professional. In the absence of an authorised signature an email will be sent for approval of enrolment.

Cheque (Please make cheque payable to Kaplan Education Pty Ltd) Cheque No. _____

Mastercard **Visa**

Card Number _____ Expiry Date ____ / ____ / ____ Total \$ _____

Cardholder's Name _____ Cardholder's Signature _____

MAIL GPO Box 9995, Sydney NSW 2001

FAX 1300 137 802

EMAIL exambookings@kaplan.edu.au

Written by: _____ Administered & assessed by: _____



ASX ACCREDITED DERIVATIVES (ADA) – LEVEL 1 & 2 COURSES

EXAM BOOKING FORM - STUDENT VENUE

USE BLOCK LETTERS WHEN COMPLETING THIS FORM AND PLEASE KEEP A COPY

1. PERSONAL DETAILS

Title: Dr/Mr/Mrs/Ms/Miss/Other: _____

Student ID: INT _____ First Name: _____

Last Name(s): _____ Date of Birth: _____

Company: _____

Address: _____

Suburb: _____ State: _____ Postcode: _____

Email: _____ Phone Number: _____

Subject Name: ADA 1 ADA2 Exam Date: _____ Exam Time: _____

Exam type: Online First Sit Resit

2. SUPERVISOR INFORMATION AND CONTACT DETAILS – please PRINT clearly.

Title: Dr/Mr/Mrs/Ms/Miss/Other: _____

First Name: _____ Last Name(s): _____

Company: _____ Title/Position: _____

Email (Compulsory): _____

Tel (W) : _____ (M): _____ Fax: _____

Signature: _____ Date: _____

3. EXAM VENUE DETAILS

Note: External exams are unable to be conducted at a residential address.

Same as Personal Details Other; please specify below

Exam Venue: _____

Venue Address: _____

Suburb: _____ State: _____ Postcode: _____

I am paying (please tick) \$100 Resit *Prices are GST free and valid until 31 December 2010.

4. PAYMENT DETAILS

Invoice Company Only available to approved companies. Invoices will be sent to the address specified on your debtor card.

Name: _____ Phone Number: _____ Debtor ID: _____

Email Address: _____ Signature*: _____

*To authorise this invoice request you must be an existing contact on your company debtor card with Kaplan Professional. In the absence of an authorised signature an email will be sent for approval of enrolment.

Cheque (Please make cheque payable to Kaplan Education Pty Ltd) Cheque No. _____

Mastercard **Visa**

Card Number _____ Expiry Date ____/____/____ Total \$ _____

Cardholder's Name _____ Cardholder's Signature _____

Return this form to the Kaplan Professional office via:

MAIL GPO Box 9995 Sydney NSW 2001

FAX 1300 137 802

EMAIL exambookings@kaplan.edu.au

Written by:



Administered & assessed by:



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LEVEL 1 & LEVEL 2 COURSES**

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ABN 54 089 002 371

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