

Rules governing Capital Market Denmark certification (CMD License)

PART 1. Purpose

The purpose of the CMD License is to ensure that employees engaged in investment banking activities have the necessary knowledge and understanding, including to provide them with adequate knowledge of the regulation governing the securities markets and relevant recommendations. Also, the certification should underpin confidence in the members of Capital Market Denmark and in securities markets in general.

The certification is based on Article 2 of the Articles of Association of Capital Market Denmark.

PART 2. Obligations of member organisations

2.1. Employees to be certified

Members of Capital Market Denmark must ensure that the employees listed in Appendix 1 are certified in accordance with these rules.

However, there may be persons engaged in the functions mentioned who are only to a limited extent working with the fields covered by the certification. Following individual assessment, members can exempt such persons from the certification requirement.

Also, member organisations can apply for certification of employees other than those listed in Appendix 1.

Certification is achieved after passing a written (multi-choice) test.

Part 3. Certification

3.1. Modules

The CMD License consists of:

- **A basic module including a test**

The basic module can be completed by attending a physical course (2 days) or as self-study.

The self-study course is mainly for persons employed before 1 October 2020. Other employees can opt for self-study if agreed with their employer. New employees are encouraged to attend physical training in order to benefit more from the course and to network with colleagues from the industry.

The test is a multiple-choice test with 100 questions.

- **Annual update modules**

The annual update modules consist of digital learning.

PART 4. Syllabus and test

4.1. Syllabus

The syllabus and any changes to the syllabus must be approved by the CMD License committee of Capital Market Denmark. The syllabus will be updated as required and will cover the topics listed in Appendix 2.

4.2. Language

Training and tests are offered in English only.

4.3. Responsibility

The CMD License committee is responsible for certification.

Member organisations are responsible for registering employees for certification.

4.4. Administration of certification

Finanssektorens Uddannelsescenter administers the certification, including the conduct of tests for the purpose of achieving certification. As a general rule, physical courses will be held at Finanssektorens Hus.

The CMD License committee, together with Capital Market Denmark's Compliance committee, will select and approve instructors for the certification courses.

4.5. Registration for certification

Any employee not certified under these rules and engaged by a member organisation in a function requiring certification must be registered for certification. It is up to the individual member organisation to decide whether an employee is engaged in a function requiring certification. Cases of doubt may be submitted to the CMD License committee (CMDLicense@fida.dk).

See Appendix 3 for a description of how to register for certification.

Exemptions may only be granted in the cases set out in section 5.2.

Member organisations are responsible for ensuring that employees engaged in a function within the scope of this certification are registered for certification. Employees to be certified are employees engaged in one of the functions listed in Appendix 1.

4.6. Training and test

The physical course for the basic module is offered regularly and at least twice a year. The course spans 2 days, and training is provided mainly by member employees. Training takes place at Finanssektorens Hus in Copenhagen.

The test will be open from the day after the course and for 6 weeks.

At the test, employees must demonstrate their in-depth knowledge of the topics taught at the course/learnt through self-study.

The test consists of 100 multiple-choice questions and is provided through Finanssektorens Uddannelsescenter's testing system, VidenBarometer®. Employees have 2 hours and 55 minutes to complete the test, which must be taken at the employee's work location or at the employee's home office.

The specific time within those 6 weeks that an employee will take the test is to be agreed internally within the member organisation. When the employee clicks Start, the test starts, and time is running. The employee should therefore be careful not to start the test at any time other than the time agreed internally.

Tests will be scored as "Pass" or "Fail", and employees will receive their result immediately upon completion of the test. At least 70% of the questions must be answered correctly to pass the test.

To be engaged in functions requiring certification, employees must achieve a "Pass" within a 12-month period. The 12-month period is counted from the date of employment.

When starting the test, the employee must confirm its identity by inserting his/her social security number. By inserting the social security number, the employee also confirms to comply with the rules for the conduct of the test.

See Appendix 4 on rules for the conduct of tests.

The test is accessed using a personal login (MitID), and employees may only access the test at the time agreed with their employer. Once the test has been started, time is running, and the test cannot be paused. If an employee does not have MitID, contact Finanssektorens Uddannelsescenter (mbm@finansudd.dk) for another login.

If an employee is not able to take the test within the 6 weeks, Finanssektorens Uddannelsescenter must be notified accordingly before the end of the 6-week period. Such notification must be in writing by email to Finanssektorens Uddannelsescenter (mbm@finansudd.dk). In special cases, the CMD License committee may

accept a deregistration after expiry of the deadline. Re-registration for the test should be submitted to Finanssektorens Uddannelsescenter.

If the test is scored as "Pass", the employee will receive an email immediately upon completion with a link to a certificate evidencing that the test was passed. The employee can log on to www.videnbarometer.dk and find a copy of a valid certificate. The HR unit of the member organisation also has access to the result through VidenBarometer@ reports. Capital Market Denmark does not store copies of certificates.

If failing the test, the employee will receive the following information:

- That the test was failed
- The percentage of correct answers and the criteria for passing
- How to proceed from there
- The learning objectives for the questions that were not answered correctly

An employee who did not pass the test must be re-registered for the test. This is done using the same form that is used for registration for self-study (see Appendix 3). The form should state the fact that the test is a re-test and the period during which the test should be open. Re-tests should be taken within 6 weeks.

Employees who have taken and failed the test three times cannot be engaged in a function requiring certification until a "Pass" has been achieved. After three failed attempts, employees must attend physical training to be eligible to take a new test.

Test results will be stored confidentially by Finanssektorens Uddannelsescenter for 10 years after the test.

Self-study

A time period must also be set for the test for employees taking the basic module as a self-study course. Therefore, registration must specify a time period for Finanssektorens Uddannelsescenter, and the member organisation must ensure that the test is taken within the designated time period.

Employees will not be granted access to the required reading material until they have been registered for certification (see Appendix 3).

4.7. Complaints about the test

An employee and/or a member organisation with one or more employees taking the test can, within 3 weeks of receiving the test result, complain to the CMD License committee about the result or other matters in relation to the test. The complaints procedure is described in Appendix 5.

4.8. Illness

If an employee falls ill before the test and is unable to take the test within the period during which it is open, the employee must inform the HR unit accordingly. The HR unit will email Finanssektorens Uddannelsescenter (mbm@finansudd.dk), stating that the employee is not taking the test. The employee should then be re-registered for the test.

If an employee falls ill during the test and has to interrupt the test, it counts as an attempt. If the result of the test is "Fail", the employee has to make a new attempt.

4.9. IT breakdown

In case of an IT breakdown during the test, the employee may contact Finanssektorens Uddannelsescenter Support at +45 8993 3333. Opening hours for Finanssektorens Uddannelsescenter Support are Monday-Thursday from 8.30-16.00 and Friday from 8.30-15.00. The Support officer will assess the situation and determine together with the employee whether a new test should be conducted. The new test will include all questions, meaning that the employee must take the test all over again.

If the IT breakdown is beyond the employee's control, the test will not count as an attempt.

4.10. Annual update modules

Employees who have passed the basic module must participate in mandatory update modules every year. Completing these modules is a condition for maintaining certification. The modules will typically be shorter, will not require physical attendance and may or may not involve a test.

Employees will automatically be informed by email from Finanssektorens Uddannelsescenter when it is time to take a update module. Employees have 6 weeks to complete the module.

PART 5. Granting and termination of certification

5.1. Granting and termination terms

To be certified, an employee must have participated in course training/taken a self-study course, completed the test and achieved a "Pass", see section 5.2 on potential exemption from the certification requirement.

Certification will be terminated if an employee has failed to take the annual mandatory update modules. It is the responsibility of each member organisation to oversee that its employees meet this requirement for maintaining their certification. VidenBarometer® reports help the organisation keep track of who has completed the update modules. The reports also show which employees have been registered for the test and whether they have passed or failed the test.

5.2. Exemption for employees holding recognised certification

Employees who can provide documentation of a recognised and valid certification from another European country are eligible for exemption from the requirement of certification. Whether a certification may be considered recognised will be assessed by the CMD License committee on a case-by-case basis and mainly depends on whether the certification includes an adequate element of European securities trading regulation. The assessment is also conditional upon the applicant submitting a well-documented application to Capital Market Denmark (CMDLicense@fida.dk). Recognised certifications are listed in Appendix 6. The CMD License committee, upon recommendation by the Compliance committee, will decide which certifications from other European countries warrant an exemption from the requirement of a CMD License.

PART 6. Registration and fees

6.1. Register

Finanssektorens Uddannelsescenter keeps a register of employees who have registered for the test and those who have achieved certification. Employees who have been registered for certification must consent to the recording and processing of personal data. The consent form will specify the data that may be recorded by Finanssektorens Uddannelsescenter.

6.2. Fees

The CMD License committee will set a fee for the certification and the annual update modules. No extra fee is charged for re-tests.

PART 7. Internal guidelines

Member organisations must prepare internal guidelines including at minimum:

- Provisions on delimitation of functions requiring certification, see Appendix 1
- Provisions on physical course participation and self-study
- Provisions on consequences of employment if an employee fails to achieve a "Pass" at three test attempts, see section 4.6.

PART 8. Changes

These certification rules are subject to change by the CMD License committee.

Version 2, dated 18th December 2023

Appendix 1

Scope

The certification requirement applies to employees engaged in investment banking activities and performing one of the following functions:

- Research, including head of function
- Trading, including head of function
- Sales, including head of function
- Corporate Finance, including head of function
- Compliance

The DISCO codes below can be considered indicative for the purpose of identifying employees within the scope of the certification scheme.

- 241210
- 241310
- 331110
- 261910

Appendix 2

Topics covered by the syllabus

1. EU regulatory framework
2. Governance
3. Onboarding of new clients
4. Money laundering and terrorist financing
5. Investor protection
6. Investment recommendations
7. Financial markets and financial instruments
8. Execution venues
9. The trading process
10. Market abuse

Appendix 3

Registration for certification

How to register:

1. Registration of employees for the basic module with physical course + test

Register via this registration form: [Registration for 2-days course CMD License](#)

The test will be open from the day after a physical course and for 6 weeks. When the employee clicks Start, the test starts, and time is running.

Dates of upcoming courses can be found on Capital Market Denmark's website (www.kmda.dk).

Last registration date for physical courses is 2 weeks before the course.

2. Registration of employees for the basic module with self-study + test

Register via this Excel file: [Registration for self-study CMD License](#)

The registration form should be submitted to Finanssektorens Uddannelsescenter (mbm@finansudd.dk).

Last registration date for self-study is 4 weeks before the intended time of the test, which is held at the member organisation.

It should be noted that employees are not granted access to the required reading material until they have been registered for certification.

Annual update modules

Registration for annual update modules is automatic once the employee has achieved the certification. Employees will receive an email from Finanssektorens Uddannelsescenter with a link to the update module. After receiving the email, the employee has 6 weeks to complete the update module. The update modules do not require physical attendance.

Appendix 4

Rules for the conduct of tests

Tests are conducted at the member organisations or at the employee's home office. The member organisation shall ensure that:

- it is the right employee that completes the test
- the test is completed in surroundings where the employee cannot be in dialogue with others during the test
- the employee is aware of that he/she is not allowed to communicate with others. This applies to both verbal and virtual communication.

Employees can bring their own computer to the test.

It is permitted to bring additional materials to the test (syllabus, training slides, own notes etc). It is not permitted to bring mobile phones, iPads and other electronic devices. However, employees can use their mobile phone to log in to the test using their MitID.

Employees caught cheating or attempting to cheat, for example by getting information, help or by helping others are expelled from the test. The test will count as an attempt, and the test result will be "Fail". It is up to the member organisation to determine the consequences of cheating for the employee.

The member organisation will report instances of cheating to Finanssektorens Uddannelsescenter (mbm@finansudd.dk).

Appendix 5

Complaints procedure

If an employee or a member organisation wishes to complain about a test, a written complaint should be submitted to CMDLicense@fida.dk. The written complaint should specify the employee to whom the complaint relates and describe the complaint.

The complaint should be submitted within 3 weeks of the test.

The complaint will be reviewed by the CMD License committee within 4 weeks of receipt. The complainant will receive a written response.

Appendix 6

Recognised certifications

- SwedSecs Licensiering ([Swedsec's rules and regulations - Swedsec](#))
- Norges Verdipapirforetakenes Forbund autorisationsordning ([Om autorisasjonsordningen | Verdipapirforetakenes Forbund \(vpff.no\)](#))