

AIWM mulls compulsory certifications for members

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BY **CHERYL HENG**



The Association of Independent Wealth Managers Singapore (AIWM) is considering adding certifications to its memberships, in a step seen to enhance industry standards.

Edwin Lee, AIWM's committee member for education, said these certifications will aim to establish a benchmark for its member firms, and to push for upskilling in education and compliance. The implementation could come in a year or so, according to Lee.

'We need to move towards having an industry standard by the association and firms that are part of the membership base will then have to hit that level,' said Lee, who is also CEO of Covenant Capital.

'It's still in the works. But it is clear, this is the direction we are heading,' said Lee.

AIWM offers two types of memberships. The ordinary membership is available for external asset managers or multi family offices at S\$3,000 per year. The associate membership is for service providers in the private wealth management space and costs \$5,000 per annum.

Lee said: 'In education events, it could mean having certain number of relationship managers or investment folks attending. When compliance or regulatory events are run, there will be a necessity for your firm to send your CEO, compliance or ops person to attend,' said Lee.

He mentioned potential collaborations with external training providers to facilitate member upskilling, possibly offering subsidised services. He suggested the possibility of accreditation through the Institute of Banking and Finance Singapore (IBF) as part of these efforts.

Founded in 2011, AIWM represents external asset managers and family offices in Singapore, with over 90 member firms, which includes banks and service providers.

The decision to introduce certification comes amid the maturation of the external asset manager industry, which is experiencing growth alongside the region's tremendous wealth boom and the rising prominence of family offices.

AIWM remains in active dialogue with the Monetary Authority of Singapore to advance the external asset manager industry, said Lee. Concerns include the industry's preparedness with last year's \$3bn money laundering case in backdrop, reinforcing the need for robust regulatory measures and professional development within the sector.

Philanthropy focus

Beyond professional development, AIWM is expanding its involvement in philanthropy.

Last year, eight of AIWM member firms partnered with the Singapore Management University for a bursary initiative. A total amount of S\$160,000 (\$119,000) was funded to benefit eight students in total.

This initiative exceeded its initial funding targets, reflecting growing engagement from member firms.

Looking ahead, Lee advocates for a new committee role focusing on philanthropy. 'It's not just about being good stewards of assets, it's giving as well, and investing for impact. We're blurring the lines,' he said.

He noted that many wealth advisors are not well-equipped to discuss on giving with the wealthy. He anticipates that AIWM's enhanced focus on philanthropy will equip relationship managers with the necessary knowledge to guide clients.

Wealth managers offering philanthropic services are still at nascent stages, and tricky, as promoting philanthropy often involves clients directing funds away from their investments.

'In the end, the RM must have the heart. You deepen the relationship with clients. It's not just about money, investment and performance, but [philanthropy] can be a whole different angle,' said Lee.

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