



CHARTERED INSTITUTE FOR
SECURITIES & INVESTMENT

Asset Servicing

Effective from 11 June 2026

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Objective of the examination

The objective of the examination is to ensure that candidates have a sound understanding of the fundamentals of asset servicing as far as this relates to the needs of operations and administration staff. By heightening the candidates' knowledge of core and surrounding areas to their day-to-day role, the examination aims to educate the candidate thereby reducing risk to the firm and ultimately the consumer.

The examination will test candidates' knowledge and understanding of the following elements:

- Life Cycle of an Event
- Mandatory Events
- Voluntary Events
- Corporate Governance
- Tax
- Participants
- Legal and Compliance
- Risk and Controls

Throughout the syllabus “the typical markets” are referred to. For the purpose of this syllabus the typical markets have been defined as UK, USA, Japan and Italy.

Syllabus Structure

The unit is divided into **elements**. These are broken down into a series of **learning objectives**.

Each learning objective begins with one of the following prefixes: **know**, **understand** or **be able to calculate**. These words indicate the different levels of skill to be tested.

Learning objectives prefixed:

- **know** require the candidate to recall information such as facts, rules and principles
- **understand** require the candidate to demonstrate comprehension of an issue, fact, rule or principle
- **be able to calculate** require the candidate to be able to use formulae to perform calculations

Candidate Update

Candidates are reminded to check the 'Candidate Update' area of the Institute's website (cisi.org) on a regular basis for updates that could affect their examination as a result of industry change.

Examination Specification

Each examination paper is constructed from a specification that determines the weightings that will be given to each element. The specification is given below.

It is important to note that the numbers quoted may vary slightly from examination to examination as there is some flexibility to ensure that each examination has a consistent level of difficulty.

Examination specification		
50 multiple-choice questions		
Element number	Element	Questions
1	Life Cycle of an Event	7
2	Mandatory Events	10
3	Voluntary Events	8
4	Corporate Governance	5
5	Tax	5
6	Participants	4
7	Legal and Compliance	8
8	Risk and Controls	3
Total		50

Assessment Structure

A 1 hour examination of 50 multiple-choice questions.

Candidates sitting the examination by Computer Based Testing will have, in addition, up to 10% additional questions as trial questions that will not be separately identified and do not contribute to the result. Candidates will be given proportionately more time to complete the test.

Summary Syllabus

Element 1 Life Cycle of an Event

- 1.1 The Life Cycle of an Asset Servicing Event
- 1.2 Information Gathering and Data Scrubbing
- 1.3 Event Entitlement
- 1.4 Payment, Claims and Post Payment Reconciliation

Element 2 Mandatory Events

- 2.1 Dividends
- 2.2 Bonus Issues
- 2.3 Sub-divisions (Splits) and Consolidations (Reverse Splits)
- 2.4 Demergers (Spin-offs)
- 2.5 Capital Repayments
- 2.6 Bond Coupons
- 2.7 Delayed/Defaulting Securities

Element 3 Voluntary Events

- 3.1 Rights Issues
- 3.2 Conversions
- 3.3 Warrants
- 3.4 Takeovers and Exchanges
- 3.5 Tenders
- 3.6 Debt Exchange Offers
- 3.7 Debt Repurchase

Element 4 Corporate Governance

- 4.1 Types and Dates of Company Meetings
- 4.2 Appointing a Proxy
- 4.3 Voting
- 4.4 Share Ownership

Element 5 Tax

5.1 Tax

Element 6 Participants

6.1 Participants

Element 7 Legal and Compliance

7.1 Legal and Compliance

7.2 Global agreements

7.3 Sophisticated investors

7.4 Documentation

Element 8 Risk and Controls

8.1 Types of Risk

Element 1 Life Cycle of an Event

1.1 The Life Cycle of an Asset Servicing Event

On completion, the candidate should:

1.1.1 know event types:

- voluntary events
- mandatory events
- mandatory events with options

1.1.2 know the key stages of the life cycle of an asset servicing event:

- market announcement
- event data collection and validation
- notification
- election processing
- payment/settlement of entitlement
- reconciliation
- continuous safeguarding
- fiduciary responsibilities

1.2 Information Gathering and Data Scrubbing

On completion, the candidate should:

1.2.1 *know* the SWIFT and other standards in relation to corporate events:

- MT564/Corporate Action Notification
- MT565/Corporate Action Instruction
- MT566/Corporate Action Confirmation
- MT567/Corporate Action Status and Processing Advice

- MT568/Corporate Action Narrative
- MT599/Free-Format Message
- Disclosure messages (SIDR, SIDC, SIRE, SIRC, SIRS)
- Proxy messages (MENO, MECN, MENT, MEIN, MEIC, MEIS, MECO, MERD)
- ISO 15002 and ISO 20022

1.2.2 know:

- the purpose of information gathering
- the purpose of data scrubbing
- the impact of distributed ledger technology

1.3 Event Entitlement

On completion, the candidate should:

1.3.1 *know* the significance of:

- record date
- ex date
- cum entitlement
- ex entitlement
- special ex
- special cum
- pay date

1.3.2 Be able to calculate an entitlement:

- amended for a late booked or cancelled trade
for loaned stock
- when there is special ex/special cum trading

1.3.3 know significant deadlines in relation to an event

1.4 Payment, Claims and Post Payment Reconciliation

On completion, the candidate should:

1.4.1 *know* how to validate a claim for the following transactions:

- repo
- buy/sell back
- sell/buy back
- stock loan
- failed trade

1.4.2 *know*:

- the implication of pay/effective date in relation to an event
- the implication of failing to settle a claim for a nil-paid rights prior to the deadline for acceptance in the UK market
- how the transformation process may generate claims

Element 2 Mandatory Events

2.1 Dividends

On completion, the candidate should:

2.1.1 *know* the frequency of the payment timetable for UK, US, Japan and Italy:

- ex dividend date
- record dates
- special ex
- special cum
- pay date

- 2.1.2 know the impact of a dividend on the share price
- 2.1.3 know the distinction between scrip dividends and dividend reinvestment schemes
- 2.1.4 be able to calculate a scrip dividend entitlement given a cash dividend, a reference price for the shares and a record holding date
- 2.1.5 know the concept of dividend access plans and the implications of tax on the dividend

2.2 Bonus Issues

On completion, the candidate should:

2.2.1 know the following types of bonus issue:

- bonus issue
- bonus issue with rights
- B share bonus issues
- C share bonus issues

2.3 Sub-divisions (Splits) and Consolidations (Reverse Splits)

On completion, the candidate should:

2.3.1 *know* the difference between a sub-division and a bonus issue

2.3.2 *be able to calculate* the impact of sub-divisions and consolidations on the share price of:

- sub-divisions
- consolidations

2.4 Demergers (Spin-offs)

On completion, the candidate should:

2.4.1 *be able to calculate* the effect on book value of a demerger

2.5 Capital Repayments

On completion, the candidate should:

2.5.1 *know* the following methods of achieving a capital repayment:

- redeemable bonus issue
- renominalisation
- repayment

2.6 Bond Coupons

On completion, the candidate should:

2.6.1 *be able to calculate* bond interest using the following methods:
(30/360 – actual/360 – actual/365 – actual/actual)

2.6.2 *be able to calculate* 'clean' and 'dirty' prices

2.7 Delayed/Defaulting Securities

On completion, the candidate should:

2.7.1 *know* the effect of issuer default on the servicing of interest and principal payments on:

- corporate debt
- sovereign debt

Element 3 Voluntary Events

3.1 Rights Issues

On completion, the candidate should:

3.1.1 know:

- the stages involved in a rights issue
- the reasons for rights issues and the options available to the shareholder
- the difference between renounceable and non-renounceable rights
- Priority Offers in the UK
- lapsed rights proceeds
- poison pill rights in the US

3.1.2 *be able to calculate* a theoretical ex rights price and a nil-paid rights price given a cum rights price, a nil-paid rights issue ratio, and a subscription price

3.1.3 *be able to calculate* a split rights entitlement

3.2 Conversions

On completion, the candidate should:

3.2.1 *know* the following types of conversion:

- Convertible Bonds ↔ Equities
- 144a ↔ Reg S (and how they differ)
- 144a ↔ Unrestricted (registered) line
- Preference ↔ Ordinary

3.2.2 *know* the process for converting underlying local shares to ADRs/GDRs or vice versa

3.3 Warrants

On completion, the candidate should:

3.3.1 *know* how to exercise warrants

3.4 Takeovers and Exchanges

On completion, the candidate should:

3.4.1 know the following aspects of takeovers:

- Acceptance
- No action
- Section 979 notices
- Buyer protection and trade transformation
- Key dates
- Dissenting shareholders
- the role of the Panel on Takeovers and Mergers (PTM)

3.5 Tenders

On completion, the candidate should:

3.5.1 Know the following aspects of tender offers:

- Tender offer
- Dutch auction
- Odd lot/mini tender offers
- Acceptance and no action
- Oversubscription
- Scale-back

3.6 Debt Exchange Offers

On completion, the candidate should:

3.6.1 *know*:

- the stages of a debt exchange
- the process involved for 'acceptance' and 'no action'
- the concept of scale back

3.7 Debt Repurchase

On completion, the candidate should:

3.7.1 *know*:

- the stages of a debt repurchase
- the process involved for 'acceptance' and 'no action'
- the concept of a tender cap

Element 4 Corporate Governance

4.1 Types and Dates of Company Meetings

On completion, the candidate should:

4.1.1 *know*:

- the timescales for a company calling a meeting
- the rights of shareholders to request an EGM and the timescales
- the difference between 'abstaining' and 'taking no action'
- the difference between an ordinary resolution and a special resolution

4.1.2 *know* the implications of consent solicitations

4.1.3 *understand* the reasons for calling a bond holder meeting

4.2 Appointing a Proxy

On completion, the candidate should:

4.2.1 *know*:

- the purpose of using a proxy
- who is entitled to appoint a proxy
- who is eligible to be a proxy for the selected markets
- the different methods of appointing a proxy in selected markets

4.2.2 *know* the role played by the proxy voting agent, also in relation to Voting Service Providers (VSPs)

4.3 Voting

On completion, the candidate should:

4.3.1 *know* the instruction process for a proxy vote:

- corporate letter of representation
- implications for asset servicing

4.4 Share Ownership

On completion, the candidate should:

4.4.1 *know*:

- the purpose of Section 793 of the Companies Act 2006
- the purpose of SRD II disclosures
- relevant data protection issues

Element 5 Tax

5.1 Tax

On completion, the candidate should:

- 5.1.1 *know* the life cycle of a tax reclaim
- 5.1.2 *understand* the term 'deduction at source' and its implications
- 5.1.3 *understand* the role of a qualified intermediary
- 5.1.4 *know* the implications of the US Foreign Account Tax Compliance Act (FATCA)
- 5.1.5 *know* the implications of the Common Reporting Standard (CRS)
- 5.1.6 *know* the implications of the US 302 tax
- 5.1.7 *know* the need to provide proof of residency to the fiscal authorities for the purpose of reclaiming tax and obtaining relief at source

Element 6 Participants

6.1 Participants

On completion, the candidate should:

- 6.1.1 *know* the role played by the custodian/sub-custodian
- 6.1.2 *know* the role played by the transfer agent/registrar
- 6.1.3 *know* the role played by the trustee
- 6.1.4 *know* the role played by the:
 - tender agents
 - receiving agent
 - calculation agent
 - paying agent
 - conversion agent
- 6.1.5 *know* the roles of trade associations, infrastructure and industry led working groups

6.1.6 *know* transfer and other settlement systems

- cash
- assets

Element 7 Legal and Compliance

7.1 Legal and Compliance

On completion, the candidate should:

7.1.1 *know* how residency and tax domicile can effect eligibility to receive a benefit or participate in an event

7.2 Global agreements

On completion, the candidate should:

7.2.1 *know* how the:

- GMSLA master agreement deals with income distributions and events in respect of securities out on loan
- GMRA master agreement deals with income distributions and stock events in respect of bonds out on repo

7.3 Sophisticated investors

On completion, the candidate should:

7.3.1 *know*:

- the two basic objectives of the 1933 Securities Acts (as amended):
- Implications of SEC rule 144a
- the use of sophisticated investor letters (SILs)

7.3.2 *understand* the impact of Client Asset Rules on asset servicing functions

7.3.3 *know* the implications of foreign ownership limits

7.3.4 *know* how a restricted list may impact a corporate action

7.3.5 know the concept, purpose and reporting requirements of SRD II

7.4 Documentation

On completion, the candidate should:

7.4.1 know the purpose and content of customer documentation

7.4.2 *know* relevant record keeping requirements for asset servicing

- contractual obligations
- tax implications of main investment products

7.4.3 *know* considerations for client or customer relationships with regard to:

- enforceability of the contract
- interest calculations
- custody arrangements
- client reporting requirements
- ongoing due diligence
- arrangements for changing a contractual relationship

Element 8 Risk and Controls

8.1 Types of Risk

On completion, the candidate should:

8.1.1 *know* the key risks of corporate action processing

- inaccurate/incomplete information
- incorrect or misapplied instructions
- missed deadlines
- updates on entitlement

- payment handling

8.1.2 *understand* the importance of reconciliation and segregation of duties

8.1.3 *know* breach reporting obligations

8.1.4 *understand* the risks of not complying with regulations:

- CASS
- SM&CR