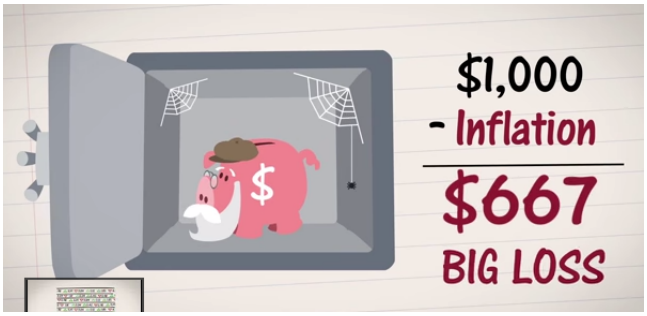
How To Get Started on Investing

Description



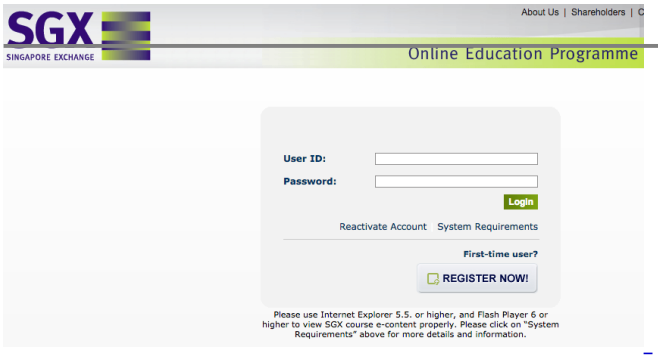
Getting started on investing can be a pretty complicated process. As many of you regular readers would know, I started taking interest on how to make my money work better for me after I saved up $20,000 last year. After all, simply keeping your money in the bank is a foolish thing to do because your money decreases in value over time, due to inflation and rising costs of living. As your parents would tell you, $100k in the past could buy you so much more than $100k today.



Iâ??ve to confess that SGX has made it a lot harder for people to start investing by implementing various measures, in order to ensure that those who invest have the prior knowledge of the risks they are getting themselves into and are qualified to invest.

But if you really want to make your money work for it (and beat inflation rate), hereâ??s the process on how you can start:

Step 1: Get educated on SGX Online Academy



Youâ??re required to first take an online course by SGX before you can start investing. Most brokers will also require this as a pre-requisite before they can open your brokerage account for you, and this is probably the part which will take up the most of your time.

You can sign up for SGX Online Academy here. Itâ??s free!

Once youâ??ve registered an account, you have to undergo a Customer Account Review as well as 7 modules explaining to you the different types of trading products. Each module is pretty comprehensive and may take you about 1 hour each to complete. I recommend setting aside a full day, or 8 hours, to complete this course. If, like me, youâ??re unable to spare large pockets of time, then break it up across different days to finish. (FYI, this course took me 3 weeks to finish due to my busy schedule.)

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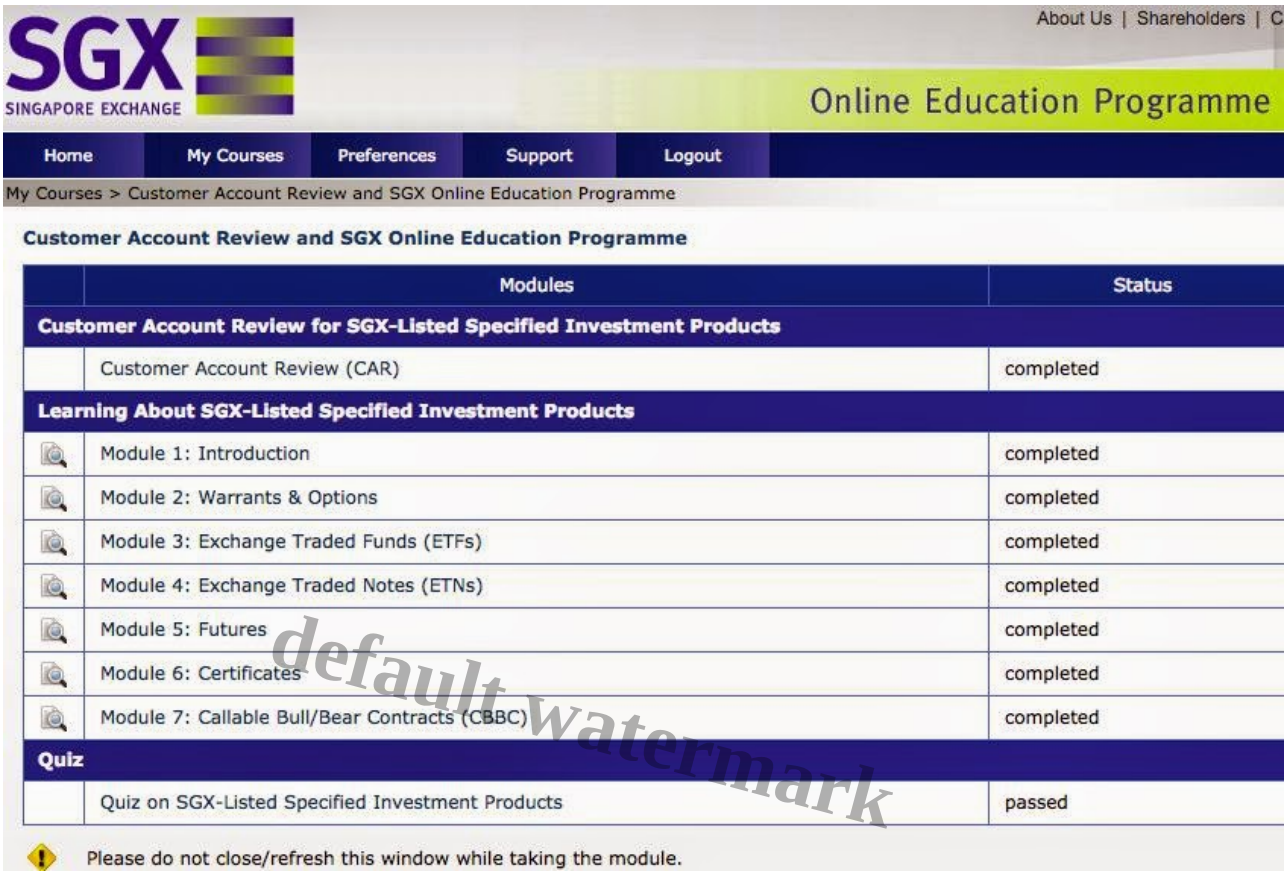
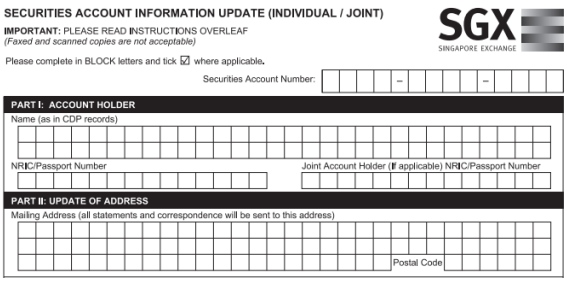
Step 2: Take the SGX Online Assessment



On top of the mini quiz questions that youâ??ll be asked during the modules, you have to sit for a final quiz upon completion. This quiz consists of 20 questions covering all the modules taught, and youâ??ll have to pass the quiz before you can be deemed as qualified to start investing. Youâ??ll need to declare your quiz score and date of assessment (presumably for them to double-check that youâ??re not lying) to the brokers before they will assess your application to open an account.

Step 3: Create a CDP / Brokerage Account



There are 2 ways you can go about doing it from here. Either

1. Open a CDP account directly
2. Open a CDP and brokerage account through a licensed broker

If you choose option 1, you can download CDP Application Form here.

Submit the completed application form to SGX CDP Customer Service, which is located at 9 North Buona Vista Drive #01-19/20 The Metropolis Singapore 138588.

After your CDP account has been created, youâ??ll need to link it to your choice of brokerage firm via their own application forms.

If you choose option 2 (which was what I did), you can go straight to a brokerage firm and get them to create your CDP account on your behalf. The same CDP form will be given to you to fill up, and they will coordinate the rest for you.

How to choose a broker? Thereâ??s no right or wrong, or â??best brokerâ?•. Key questions to look out for are a) markets youâ??re interested in trading and b) minimum commissions. Watch out for the last one, as signing up with a brokerage which charges high commissions could potentially mean you may end up spending a lot especially if you transact frequently, since charges are per transaction.

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Hereâ??s a comparison table I drew up during the course of my research that you may find helpful:

Brokerage Firm	Online Markets Access	Minimum Commissions	Minimum Investment
AmFraser Securities	Malaysia, Singapore, USA	$20 â?? $25	â??
CIMB Securities iTrade	Hong Kong, Indonesia, Malaysia, Singapore, Thailand, USA	$8 â?? $25	â??
Citibank Brokerage	Hong Kong, Singapore, USA	$18 â?? $40	â??
DBS Vickers	Canada, Hong Kong, Singapore, USA	$15 â?? $40	â?? ($1000 deposit for non-residents)
Kim Eng	Hong Kong, Malaysia, Singapore, USA	$15 â?? $35	â??
Lim & Tan	Australia, China B, Hong Kong, Indonesia, Japan, Korea, Malaysia, Philippines, Singapore, Taiwan, Thailand, USA	$25 â?? $100	â?? ($5000 deposit for non-residents)
OCBC Securities	Australia, China B, Hong Kong, Indonesia, Japan, Malaysia, Philippines, Singapore, Thailand, UK, USA	$15 â?? $120	â?? ($2000 deposit for non-residents)
Philip Capital	Hong Kong, Indonesia, Japan, Malaysia, Singapore, Thailand, UK, USA	$20 â?? $50	â?? ($5000 initial payment for non-residents)

Saxo Capital Markets	Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece (CFDs only), Hong Kong, Italy, Japan, Netherlands, Norway, Poland, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, UK, USA	$7 â?? $40	$10,000
Standard Chartered Bank Securities Trading	Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece (CFDs only), Hong Kong, Italy, Japan, Netherlands, Norway, Poland, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, UK, USA	No minimum	â??
UOB Kay Hian	Hong Kong, Malaysia, Singapore, USA	$15 â?? $35	â??

Step 4: Submit Your Application Documents

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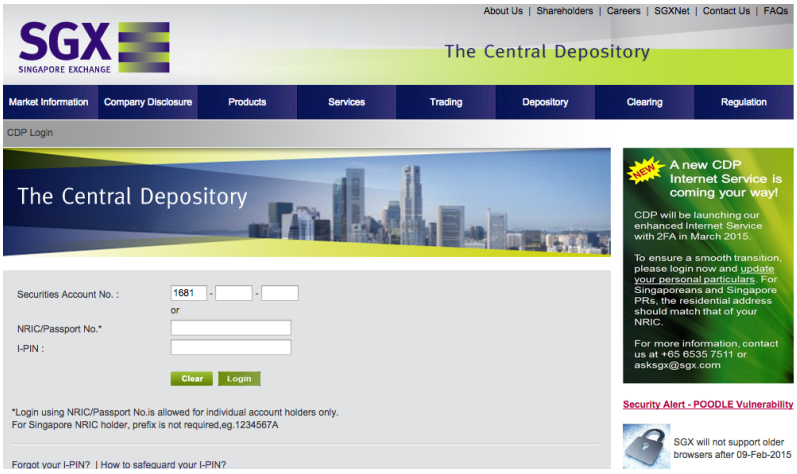
This is another lengthy process, so do spare some time to properly fill up the application documents before submitting them. Youâ??ll need to submit your NRIC and either your passport / driving license / CPF statement / latest payslip as well.

Each broker has different application documents so I will not be providing any links here. You may go directly to your broker for the respective forms required.

Step 5: Log In



Or you can also log in directly via your brokerage, which is the easier method if you want to buy / sell shares.

After about 2 weeks, your account should be set up and ready for you to start using. All you need to do is log in and start managing your portfolio ð???

All the best for your investing journey,
Budget Babe

Credits: SGX Academy

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