

Guidelines of ECF on RWM Grandfathering

A. Eligibility Criteria

1. Relevant Practitioner

The Enhanced Competency Framework (ECF) on Retail Wealth Management (RWM) is targeted at “Relevant Practitioners”, engaged by an **Authorized Institution (AI)**¹ to perform RWM roles in its Hong Kong operation. It is intended that the ECF on RWM applies to staff performing Retail Wealth Management roles with key tasks listed in the table of paragraph 2.

2. Definition of Relevant Practitioners

Please refer to the below for Key Roles and Tasks for Core and Professional Level RWM Practitioners.

	Role 1 – Frontline Customer Relationship and Retail Wealth Management	Role 2 – Risk Management and Control (Staff who assume frontline retail wealth management roles and additional risk management and control duties as supervisors.)
Core Level		
Examples of functional title	Banking Services Officer / General Banking Officer / Personal Banking Officer / Sales and Services Officer	--
Key tasks	<ol style="list-style-type: none"> 1. Promote insurance and financial products to customers and explain product features to retail customers 2. Assist relationship managers in providing professional investment, insurance or wealth planning services to retail customers 3. Handle customer enquiries in relation to insurance, investment and wealth management services 4. Dealing in and advising on securities 	--

¹ An institution authorized under the Banking Ordinance to carry on the business of taking deposits. Hong Kong maintains a Three-tier Banking System, which comprises banks, restricted license banks and deposit-taking companies. Authorized institutions are supervised by the HKMA.



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	Professional Level	
Examples of functional title	Relationship Manager / Wealth Manager / Investment Advisor / Portfolio Manager	Relationship Manager / Wealth Manager / Investment Advisor / Portfolio Manager / Branch Manager/ Assistant Branch Manager/ Branch Operations Manager/ Wealth Management Product Specialist
Key tasks	<ol style="list-style-type: none"> 1. Perform “Know Your Customer” (KYC) procedures for client on-boarding and regular profile update 2. Perform product suitability analysis and recommend suitable products to retail customers 3. Explain key features, structures and risks of insurance, investment and wealth management products /solutions to retail customers 4. Manage customer relationships in accordance with the bank’s service 5. Act ethically and ensure compliance with regulatory requirements and internal policies and procedures 6. Work closely with relevant parties to ensure timely and accurate execution of transactions, and conduct regular review of the performance of customers’ asset portfolios 7. Keep abreast of the development of retail wealth management industry and economic conditions and product knowledge for meeting ongoing job requirements 8. Dealing in and advising on securities 	<ol style="list-style-type: none"> 1. Monitor and review KYC processes and customer risk profiling mechanism 2. Oversee product suitability assessments, front line selling practices, and specific policies, procedures and controls to ensure front line staff recommend insurance, investment products and wealth management solutions that are suitable for their customers, having regard to customers’ individual circumstances 3. Perform continuous review of the risk ratings assigned to customers, make revisions to the risk ratings as appropriate and alert customers to such changes in a timely manner 4. Ensure ethical behaviors and compliance with regulatory requirements and internal policies and procedures 5. Manage customer relationships including handling of escalated complaint cases in relation to retail wealth management business 6. Ensure frontline staff are equipped with sufficient and relevant training on products and compliance

The following categories of staff **do not** fall within the definition of Relevant Practitioner:

- Staff performing other job functions that are incidental to retail wealth management (e.g. staff responsible for sole promotion of deposit, MPF products or general insurance products² (e.g. home or travel insurance) to retail customers without engaging in other retail wealth management functions).
- Staff in RWM functions performing solely clerical and administrative duties.

² General insurance products refer to products involving insurance contracts that belong to any class(es) of general business as defined in the Insurance Ordinance and do not carry substantial savings component.



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- (iii). Staff who handle general customer enquiries or manage customer relationships (unrelated to wealth management or financial products).
 - (iv). Staff responsible for back office functions without customer-facing or advisory roles (e.g. risk and control, risk profiling, product design and management, sales quality review, legal and compliance, financial reporting and internal audit).
 - (v). Staff responsible for pure execution of transactions relating to financial products without delivering RWM services.

For details of the respective roles, please refer to the HKMA circular on "[Guide to Enhanced Competency Framework on Retail Wealth Management](#)" dated 28 December 2017. For cases where the applicant is an employee of a subsidiary of an AI and performing RWM functions for that subsidiary, as the applicant does not fall within the definition of relevant practitioner, he/she is not required to meet the ECF on RWM benchmark.

3. Grandfathering Arrangement

Core Level

- Passed the Certified Financial Planner (CFP) Certification Examination (Foundation Level) upon the cut-off time of the grandfathering application period; and
- Employed by an AI at the time of application; and
- Possessing at least 1-year relevant work experience.

Professional Level

- Possess valid CFP Certification upon the cut-off time of the grandfathering application period; and
- Employed by an AI at the time of application; and
- Possessing at least 3-year relevant work experience.

Any other individuals performing the job roles in RWM functions but not working in an AI or those specified in paragraph 2(i) to (v) of an AI during the grandfathering application period may submit their applications to the HKIB for grandfathering within 3 months from the date of joining the RWM functions of an AI and becoming a Relevant Practitioner. However, they should have met all the applicable grandfathering criteria on or before 31 December 2018 as prescribed above.



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Upon grandfathering, obtaining ARWP or CRWP certification with the HKIB is optional.

4. The relevant work experience is verified by the Human Resources Department (HR) of the concerned Authorized Institution(s). If required, the HKIB may request the applicant to provide employment records or additional information to substantiate the application for grandfathering. AIs are expected to support their staff to apply for grandfathering and certification. Regarding information related to a Relevant Practitioner's previous employment(s), the current employer is encouraged to provide the necessary assistance to Relevant Practitioners in the latter's applications for grandfathering or ECF certification (e.g. confirming whether such information is consistent with the curriculum vitae provided by the Relevant Practitioner at the time of job application). Application is only accepted with HR verification.
5. The HKIB will accept application for grandfathering by current Relevant Practitioners of AIs from 2 January 2018. Completed application with all required supporting documents must be submitted to HKIB office. The deadline for application will be 31 December 2018. Late submission, application with incomplete information and applications by fax will NOT be accepted.
6. It is expected to take 60 days for HKIB to process grandfathering applications under normal circumstance. Once grandfathering has been granted, the Relevant Practitioner will be notified by mail.
7. The approval of grandfathering is subject to the final decision of the HKIB.

B. Application for Grandfathering

Please refer to the [Application Form](#) for Grandfathering for detail information. Please read Policy of [Personal Data Protection](#) set out on HKIB website before application

1. Fee Payable

An application fee of HKD1,000 is required for the grandfathering application.

2. Payment Method

- Paid by Employer



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- A crossed cheque or e-cheque made payable to “The Hong Kong Institute of Bankers”. Postdated cheques will not be accepted.
- Credit card (Visa or MasterCard)

3. Document Checklist

- Completed and signed application form
- Endorsed and verified by HR Department on Key Roles/ Responsibilities for RWM practitioners
- Certified true copies of applicant’s HKID / Passport enclosed³
- Certified true copies of CFP certificate **or** CFP Certification Examination (Foundation Level) result enclosed³
- Payment or evidence of payment enclosed (cheque or completed Credit Card Payment Instructions)

4. Submission

Please complete and submit the signed application form to The Hong Kong Institute of Bankers (HKIB) at the following address:

“Application for ECF on RWM Grandfathering”

The Hong Kong Institute of Bankers
3/F Guangdong Investment Tower
148 Connaught Road, Central, Hong Kong

Application should be reviewed and endorsed by your institution’s Human Resources before submission. Application sent to us with insufficient postage or packaging will NOT reach HKIB. Applicants are advised to ensure sufficient postage.

C. Requirement for ARWP/CRWP Certification

Upon confirmation from the HKIB that a one-off grandfathering has been granted, the Relevant Practitioner may complete the Application Form for the Certification of Associate Retail Wealth Professional (ARWP) or Certified Retail Wealth Professional (CRWP) within 3 months after issuance of the Grandfathering approval letter.

³ Submitted copies of documents to the HKIB must be certified as true copies of the originals by:

- The HKIB staff; or
- HR/authorized staff of current employer(Authorized Institution); or
- A recognized certified public accountant / lawyer / banker / notary public; or
- Hong Kong Institute of Chartered Secretaries (HKICS) member.

Certifier must **sign** and **date** the copy document (printing his/her **name** clearly in capitals underneath) and clearly indicate his/her **position** on it. Certifier must state that it is a true copy of the original (or words to similar effect)



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For CRWP applicants, 2 years relevant work experience within 4 years prior to the date of application for certification is required.

D. Appeal Arrangement

HKIB will appoint a Grandfathering of ECF on RWM Appeal Committee as necessary, to handle the appeal of grandfathering applications. The appeal mechanism applies if a formal written notice of appeal, specifying the ground, is sent to HKIB by the grandfathering applicant whose application has been declined by HKIB. There will be an administrative fee for appeal application.

The Committee Members shall consist of relevant practitioners from banking industry, regulators and HKIB senior management. The final decision of grandfathering application appeal shall be made by a majority vote (>50%) of the Committee Members.

1. Grandfathering Appeal Procedure

Candidates may request in writing for any appeal against their grandfathering result **within one month** after the issue of grandfathering declination letter. An administrative fee would be applied. Please contact HKIB staff for details. Late appeal application will not be accepted.

The appellant may be asked to attend the appeal hearing by the Appeal Committee, or provide extra supporting documents if the committee has any questions they wish to ask them. The Appeal Committee meetings will be conducted as required. The Appeals Committee shall decide to either accept the appeal or decline the appeal.

It is expected to take 90 days for HKIB to process grandfathering appeal application under normal circumstance. The decision of the Appeal Committee will be notified to the appellant in writing and recorded in a document signed by General Manager of HKIB. Candidates will be informed of their appeal results by post and/ or email and with written notice for approved case.

The appeal committee is an executive committee and its decision is final. There is no right of appeal against the Appeal Committee's determination of an appeal.

2. Fee Payable

An application fee of HKD1,000 is required for the appeal application.

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