



香港銀行學會

The Hong Kong Institute of Bankers

Qualifications Handbook 2018

Certified Banker

Syllabus, Regulations and General Information

CB (Stage I)

CB (Stage II)

Certified

Banker (CB)

CB (Stage II)

CB (Stage I)

QF Level 6

- Postgraduate Diploma in Credit Management for Certified Banker (QR Registration no. 16/001005/L6)
- Postgraduate Diploma in Treasury Management for Certified Banker (QR registration no. 16/001006/L6)
- Postgraduate Diploma in Operations Management for Certified Banker (QR registration no. 16/001007/L6)

QF Level 5

- Professional Diploma for Certified Banker (QR registration no. 18/000082/L5)

QF Level 4

- Advanced Diploma for Certified Banker (QR registration no. 18/000081/L4)



CERTIFIED
BANKER

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1. Introduction

A. *Benchmark for Professional*

The Certified Banker (CB) is a professional qualification developed and offered by The Hong Kong Institute of Bankers (HKIB) to help banking practitioners at all levels raise their professional standards with skills relevant for the fast-changing banking environment. It also provides a common qualification benchmark that is recognised by regulators and leading authorised institutions. It is an enhancement and replacement for the Associate of The Hong Kong Institute of Bankers (AHKIB) qualification, which was launched over two decades ago.

B. *ECF Modules Integrated*

The programme of CB encompasses both generic and specialist topics. It also integrates the programmes developed by the Hong Kong Monetary Authority's Enhanced Competency Framework (ECF). The ECF programmes, which are the building blocks of CB are administered by the HKIB.

C. *Qualifications Framework (QF)*

In order to ensure sustainable manpower development amidst the rapidly changing world, the Education Bureau (EDB) of the Government of the Hong Kong Special Administrative Region (HKSAR) officially launched the Qualifications Framework (QF) in Hong Kong on 5 May 2008. The QF in Hong Kong (HKQF) is a seven-level hierarchy covering qualifications in the academic, vocational and professional as well as continuing education sectors to promote and support lifelong learning with a view to continuously enhancing the quality, professionalism and competitiveness of our workforce in an increasingly globalised and knowledge-based economy. Qualifications recognised under the QF are quality assured and level-rated in accordance with objective and well-defined standards.

Certified Banker contains three programmes in progressive QF Levels and the qualifications are all recognised under the HKQF as Specification of Competency Standards (SCS) based programmes:

- Advanced Diploma for Certified Banker [*QF Level 4*];
- Professional Diploma for Certified Banker [*QF Level 5*];
- Postgraduate Diploma for Certified Banker [*QF Level 6*].

Their learning contents are encompassing all relevant Units of Competency (UoCs) drawn from the SCS of banking industry.

The Postgraduate Diploma for Certified Banker (CB) is the first and only Specification of Competency Standards (SCS)-based banking qualification which is accredited at QF Level 6 in Hong Kong, which is at the same level as a Master's degree.

2. Qualifications and Designations

A. Qualifications

I. Structure

Candidates are advised to attempt the modules progressively according to each stage's requirement:

Programmes	Modules (Credits ¹)	Completion Requirements
Advanced Diploma for Certified Banker	<u>Core</u> <ul style="list-style-type: none"> • Fundamentals of Banking (10) • Professional Ethics and Compliance (10) <u>Elective</u> <ul style="list-style-type: none"> • ECF on AML/CFT (20)² • Fundamentals of Accounting (10) • Fundamentals of Treasury Markets (10)³ • Introduction to Banking Law (10) • Risk Management (10) 	60 credits (20 credits from core modules and 40 credits from elective modules)
Professional Diploma for Certified Banker	<u>Elective</u> <ul style="list-style-type: none"> • Business and People Management (30) • Corporate Finance Services (30) • Finance of International Trade (30) • Financial Planning (30)⁴ • Technology Management and Innovation in Banking (30) • ECF modules⁵ 	60 credits from any TWO elective modules
Postgraduate Diploma for Certified Banker	<u>Credit Management</u> <ul style="list-style-type: none"> • Bank Lending (30) • Credit Risk Management (30) <u>Treasury Management</u> <ul style="list-style-type: none"> • Bank Asset and Liability Management (30) • Treasury Markets and Operations (30) <u>Operations Management</u> <ul style="list-style-type: none"> • Banking Law and Practice (30) • Operational Risk Management (30) 	60 credits from TWO modules of any ONE of the specialist streams and attain a pass in the case study examination

¹ Credits are benchmarked against the QF credits (please find details of QF credit in the HKQF website at <http://www.hkqf.gov.hk>).

² For exemption only. Holders of the ECF (AML/CFT) grandfathered certificate are eligible to apply for ECF on AML/CFT (Core Level) module exemption.

³ For exemption only. Holders of the Professional Certificate in Treasury Markets (i.e. ECF on Treasury Management (Core Level) offered by LiPACE of OUHK are eligible to apply for "Fundamentals of Treasury Markets" module exemption.

⁴ For exemption only. Holders of the Professional Certificate for ECF on Retail Wealth Management (RWM) offered by HKIB are eligible to apply for "Financial Planning" module exemption.

⁵ The ECF programme covers a wide range of areas, such as Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) and Retail Wealth Management (RWM). Details of the integration of other ECFs in CB programme will be announced in due course.

II. Medium of Instruction

Teaching materials and assessment are in English while the training is conducted in Cantonese (unless otherwise specified).

III. Exemption

Module exemption applications are accepted for recognised qualifications (i.e. pre-approved qualifications). Individual qualifications will be assessed on a case-by-case basis if over 70% of the Institute's syllabus is covered.

Exemption results will normally be given in writing within two months after the receipt of application and supporting documents. If further assessment is needed due to unexpected circumstances, separate notifications will be given. The decision of the Institute is final and cannot be appealed.

IV. Learning Support


HKIB Resources Corner Support

The Resources Corner situated at the premises of the Institute provides the required learning resources for study. Copies of Supplementary, Essential and Further Readings are available in the HKIB Resources Corner for borrowing.

Candidates are encouraged to prepare the examinations by acquiring relevant market information and module knowledge through various channels, e.g. reference readings, business journals, websites etc. Candidates should be aware that such market information may be important and pertinent to the examinations.

E-learning Resources

HKIB also supports the E-learning. More than 500 courses are organized into 51 course libraries spanning about 700 hours of E-learning, covering areas of Banking, Accounting, Insurance and Risk Management. Topics range from basic financial concepts like "Understand Financial Statement" to complex topics like "Value at Risk" and an in-depth exploration of Financial Risk Management and Derivatives. It aims to provide further and recommended readings to learners on top of their in-class training materials to expand their self-study sources. For more details, please refer to HKIB website.

 **Market Information Updates**

The Institute regularly organizes training courses, seminars and luncheon talks on current issues and developments in financial markets that candidates may find essential, helpful and relevant to their learning.

B. Designations

Certified Banker contains three programmes in progressive QF Levels. Individual members who successfully complete a particular level with relevant years of work experience in the banking and financial services sector will be entitled to use the respective CB designations upon election. Designation holders are entitled to print the highest attained CB designation on their business card and curriculum vitae which signifies their professional excellence.

Certified Banker - CB

CB is awarded to candidates who have completed the Postgraduate Diploma for Certified Banker and possess three years banking or financial related work experience. The programme covers expert knowledge in banking for grooming individual into managerial positions in major functional areas.

Certified Banker (Stage II) - CB (Stage II)

CB (Stage II) is awarded to candidates who have completed the Professional Diploma for Certified Banker, and possess two years banking or finance related work experience.

Certified Banker (Stage I) - CB (Stage I)

CB (Stage I) is awarded to candidates who have completed the Advanced Diploma for Certified Banker and possess one year banking or finance related work experience. The programme covers the core competence required in banking and financial industry, and is suitable for newly joined staff or junior officers with less than 3 years of work experience, or individuals from non-financial industries who are interested in joining the banking and financial industry.

Qualifications	Designations
Postgraduate Diploma (Stream) for Certified Banker - Credit Management - Treasury Management - Operations Management <i>[QF Level 6]</i>	Certified Banker <i>(with 3 years banking or finance related work experience)</i>
Professional Diploma for Certified Banker <i>[QF Level 5]</i>	Certified Banker (Stage II) <i>(with 2 years banking or finance related work experience)</i>
Advanced Diploma for Certified Banker <i>[QF Level 4]</i>	Certified Banker (Stage I) <i>(with 1 year banking or finance related work experience)</i>

Remarks:

- ✚ To facilitate public recognition of CB and acknowledge the achievement of our designation holders, designation holders will be registered as Certified Individuals of HKIB, and name of designation holders will be presented on the HKIB website and also published on the Institute's journal "Banking Today".
- ✚ To maintain the professional qualification status, designation holders should maintain HKIB membership and fulfil the HKIB Continuing Professional Development (CPD) annual requirements.

3. Advanced Diploma for Certified Banker

A. Programme Objectives

This programme is developed with the objective to provide banking professionals with essential knowledge for multi business functions in the banking business. The modules developed for the Advanced Diploma for Certified Banker aim to equip candidates with the core competence required under the Enhanced Competency Framework (ECF), the banking industry standard introduced by the Hong Kong Monetary Authority.

B. Entry Requirements

All learners must be members of HKIB and fulfil the stipulated minimum entry requirements:

- ✚ A Bachelor's Degree in any discipline awarded by a recognised university or equivalent; OR
- ✚ An Associate Degree (AD) / Higher Diploma (HD) in a banking and finance discipline or equivalent; OR
- ✚ Mature applicants with either
 - At least five years of banking and finance work experience; OR
 - Two years of banking and finance work experience with a recommendation from the employer⁶.

Remarks

1. Full time students of the stated Diploma or Degree programmes will also be considered⁷.

⁶ The recommended staff member should have the knowledge and skills to complete the training activities and achieve the intended learning outcomes. The employer should make the recommendation based on the competency of the potential learner. For example, in addition to 2 years of banking and finance work experience, the recommended staff member should possess other relevant traits and skills such as exhibiting a strong work ethic or transferable skills that the employer finds desirable. The recommendation may also include comments on the career advancement prospects of the staff member.

⁷ Student members such as university undergraduates can enroll in the Advanced Diploma for Certified Banker before they graduate. Upon graduation, student members can continue to pursue the Professional Diploma for CB, and also attain the respective CB designation after fulfilling the required work experience.

C. Programme Intended Learning Outcomes

Upon successful completion of this Programme, learners should be able to:

1. Understand the financial system and market settings in order to identify skills and knowledge to build career in the banking industry.
2. Explain and apply the wide range of generic knowledge and financial theories that are related to the banking settings in Hong Kong and the globe.
3. Apply advanced skills and professional knowledge on accounting, finance, law and regulations to daily job.
4. Identify the types of risks faced by financial institutions and manage the risks by selecting suitable tactics.
5. Identify the relevant legal and ethical issues faced by financial institutions and recommend suitable course of actions to handle different issues by complying with the legal and regulatory requirements and industry practices.

D. Completion Requirements and Award Title

Learners who have achieved a total of 60 QF credits, with 20 QF Credits for core modules and 40 QF Credits for elective modules will be awarded with the Advanced Diploma for Certified Banker. Members with one year of work experience in the banking and financial service sector will be eligible to use the CB (Stage I) designation upon election. Eligible members will be invited to submit the Practical Experience Form, which is also available at the HKIB website (<https://www.hkib.org/>).

Starting 2018, the completion period of the Advanced Diploma for Certified Banker is 8 years from the year the first module was completed.

Fundamentals of Banking

A. *Module Objectives*

This module contributes to the achievement of the Programme Intended Learning Outcomes by providing candidates with a solid background and overview of the various facets of the banking service sectors and how they are generally operated under the financial markets and systems. It will also equip the candidates with essential knowledge about the development of the banking business, operations and products which including the highlights of financial technology. Topics covered in this module such as the macro-level foundation knowledge serves as an important building block for candidates as they proceed further to the ultimate specialist level of modules such as “Credit Risk Management” and “Operational Risk Management”.

B. *Module Intended Learning Outcomes*

Upon completion of this module, candidates should be able to:

- ✚ Articulate the functions of the financial markets and systems and interpret their implications to the development of the banking business and operations;
- ✚ Identify and relate the regulatory framework and requirements to banking services and operations;
- ✚ Identify and introduce relevant banking services and products to satisfy customers’ needs; and
- ✚ Recognise the latest developments in financial technology and leverage technology in their daily work.

C. *Assessment Method*

- ✚ Examination: 50 Multiple Choice questions
- ✚ Passing mark for this module is 70%
- ✚ Time allowed: 1.5 hours

Fundamentals of Banking

D. Syllabus

Chapter 1: Financial Systems and Markets			
1.	Introduction to Financial Institutions	1.1 1.2 1.3	Nature Roles Classification of financial institutions
2.	The Global Financial System	2.1 2.2 2.3 2.4 2.4.1 2.4.2 2.4.3 2.4.4 2.4.5 2.4.6	US financial system UK & European financial systems China's financial system Role and function of a central bank Monetary policy Banking supervision Reliability of payment systems Lender of last resort Banker to governments Issuer of currency
3.	Hong Kong's Financial System and Markets	3.1 3.2 3.3 3.4 3.4.1 3.4.2 3.4.3 3.4.4 3.4.5 3.4.6	Governing structure Money supply in Hong Kong Linked Exchange Rate System Financial markets Hong Kong dollar inter-bank market Interest rate market Money market Capital market Commodities market Derivatives market

Chapter 2: Banking Systems and Regulations			
1.	Introduction	1.1 1.2 1.3 1.3.1	The history and recent developments in banking (e.g. One Belt, One Road) Function of banks relating to the economy General organisational structure Front, middle and back offices
2.	Banking Systems	2.1	Banking systems in Hong Kong

Fundamentals of Banking

3.	Banking Regulatory Framework and Banking Regulations	2.2	Banking systems in Mainland China
		2.3	Banking systems in the US
		2.4	Islamic banking
		2.5	International financial organisations
		2.5.1	BASEL Committee
		2.5.2	IMF including RMB SDR
		2.5.3	Asian Infrastructure Investment Bank
		3.1	Banking regulatory framework
		3.1.1	Introduction
		3.1.2	Regulatory bodies
		3.2	Banking regulations
		3.2.1	Basel guidelines (including capital adequacy requirements and liquidity requirements)
		3.2.2	The Banking Ordinance
		3.2.3	HKMA Guidelines
3.2.4	The Code of Banking Practice		
3.3	Risk management		
3.3.1	Types of risks		
3.3.2	Sound risk management systems		
3.4	Corporate governance		

Chapter 3: Banking Products, Services and Operations			
1.	Retail Banking Products, Services & Operations	1.1	Bank liability products
		1.1.1	HKD deposits
		1.1.2	Foreign currency deposits
		1.1.3	Deposit Protection Scheme
		1.2	Bank asset products
		1.2.1	Credit cards
		1.2.2	Personal loans
		1.2.3	Personal overdrafts
		1.2.4	Mortgage loans
		1.3	Investment products

Fundamentals of Banking

<p>2.</p>	<p>Corporate and Commercial Banking Products, Services and Operations</p>	<p>1.3.1 1.3.2 1.3.3 1.3.4 1.3.5 1.3.6 1.3.7 1.4 1.5 1.6 1.7 1.8 2.1 2.2 2.3 2.4</p>	<p>Securities dealing Margin trading Debt securities Investment funds Gold bullion Structured products REITs Insurance products MPF Retail Wealth Management services Private Wealth Management services Retail banking operations Lending services 2.1.1 Infrastructure loans 2.1.2 Syndicate loans 2.1.3 Startup loans, venture capital financing, working capital financing 2.1.4 Project financing 2.1.5 Supply chain financing 2.1.6 Invoice financing 2.1.7 Receivable financing 2.1.8 Letters of Guarantees Trade finance 2.2.1 Roles of banks in international trade finance 2.2.2 Methods of payment 2.2.3 Documentary credits 2.2.4 Documentary collections 2.2.5 Import financing 2.2.6 Export financing 2.2.7 Shipping guarantees 2.2.8 Bills for collections Other services 2.3.1 Transaction banking 2.3.2 SME business Corporate and commercial banking</p>
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Fundamentals of Banking


			operations
3.	Private Banking	3.1	Who are private banking customers?
		3.2	Private banking products
		3.2.1	Structured derivatives (e.g. accumulators)
		3.2.2	Private equity
		3.2.3	Hedge funds
		3.2.4	Commodities
		3.2.5	Real assets
		3.3	Private banking service
		3.3.1	Bespoke solutions
		3.3.2	Round-the-clock market coverage
		3.3.3	Discretionary trading
4.	Treasury Markets and Operations	4.1	Treasury products
		4.1.1	Foreign exchange contracts
		4.1.2	Interest rate contracts
		4.1.3	Exchange Fund papers, Certificates of Deposit
		4.1.4	Repurchase agreements
		4.1.5	Equities trading and margin trading
		4.1.6	Commercial papers and bonds
		4.1.7	Commodities
		4.1.8	Derivatives (e.g. interest rate linked, etc.)
		4.2	Treasury operations
5.	Investment Banking	5.1	Financing
		5.1.1	IPOs
		5.1.2	Underwriting
		5.1.3	Debt capital markets
		5.1.4	Asset securitisation
		5.2	Advisory services
		5.2.1	M & A
		5.2.2	Cross border deals
		5.2.3	Corporate finance advisory services

Fundamentals of Banking




			5.2.4 Corporate risk management advisory services
			5.2.5 Assets and liabilities management
		5.3	Global trading
		5.3.1	Financial product structuring
		5.3.2	Market making
		5.3.3	Equity sales and trading

Chapter 4: Financial Technology			
1.	Recent Developments in FinTech		
2.	Fintech Products	2.1	Payments e.g. Bitcoin, Apple Pay, OePay
		2.2	Investment e.g. Robo-advise
		2.3	Financing e.g. Peer-to-peer lending, Yu’ebao, crowdfunding, internet financing e.g. Ant Financial, Yu’ebao
3.	The Technology behind FinTech	3.1	Cloud computing
		3.2	Big data analytics
		3.3	Artificial intelligence
		3.4	Blockchain
4.	Risk and Risk Management	4.1	Risk e.g. data security, risk to depositor, lender and investor
		4.2	Data and Cyber security
		4.3	Regulation e.g. license of stored value facilities, sandbox




Fundamentals of Banking**E. Essential Readings**

-  HKIB Study Guide – Fundamentals of Banking (2018)

F. Supplementary Readings

-  HKIB E-learning Course No. 28 – Financial Privacy
-  HKIB E-learning Course No. 37 – International Trade Services
-  HKIB E-learning Course No. 38 – Introduction to Bank Lending Environment

G. Further Readings

-  HKIB E-learning Course No. 33 – Global Banking Supervision
-  HKIB E-learning Course No. 50 – UCP600
-  John R. Boatright. (2008). Ethics in Finance (2nd ed.). Wiley-Blackwell

For more details, please refer to further reading session at end of each chapter.

Professional Ethics and Compliance

A. *Module Objectives*

This module contributes to the achievement of the Programme Intended Learning Outcomes by providing candidates with essential requirements or information related to major areas of professional ethics and compliance as the respective ethical and compliance aspects and issues faced by individuals or corporations today, and also its relevance in the context of corporate governance.

With the knowledge base of this module on ethical issues, candidates would be well-prepared to examine and analyse further issues when they proceed to study specialist modules such as “Bank Lending”, “Treasury Markets and Operations”, “Operational Risk Management” in their advanced level of studies under the CB programme.

B. *Module Intended Learning Outcomes*

Upon completion of this module, candidates should be able to:

- ✚ Understand and apply the principles of ethics and codes of ethics relating to the day-to-day work in the banking industry
- ✚ Identify and exercise the requirements of professional ethics in various roles during job execution; and
- ✚ Perform compliance monitoring and the practical application of legal and regulatory requirements in their daily work

C. *Assessment Method*

- ✚ Examination: 50 Multiple Choice questions
- ✚ Passing mark for this module is 70%
- ✚ Time allowed: 1.5 hours

Professional Ethics and Compliance

D. Syllabus

Chapter 1: Ethics and the Individual			
1.	Introduction	1.1	Historical background
		1.2	Approaches to normative ethics: absolutism & relativism
2.	Ethics and the Individual	2.1	Introduction
		2.2	Code of Conduct
		2.2.1	Bank on Integrity
		2.2.2	Conflicts of interest
		2.3	Code of Banking Practice
		2.3.1	Customer information management
		2.3.2	Equal opportunities
		2.3.3	Bank marketing
		2.3.4	Customer complaint management
		2.4	Ethical dilemmas
		2.4.1	Ethics in practice

Chapter 2: Ethics and the Corporation			
1.	Ethics and the Corporation	1.1	Introduction
		1.1.1	Corporate social responsibility
		1.1.2	Corporate accountability
		1.1.3	Corporate citizenship
		1.2	Social environmental issues facing modern business organisations
		1.3	Public perception & reputation risk
		1.4	Globalisation
		1.5	Reputation & sustainability

Chapter 3: Regulatory Framework and Regulatory Requirements			
1.	Regulatory Framework	1.1	Introduction
		1.2	The Hong Kong Monetary Authority (HKMA)
		1.3	The Securities and Futures Commission (SFO)
		1.4	The Insurance Authority (IA)
		1.5	The Mandatory Provident Fund Schemes Authority (MPFA)

Professional Ethics and Compliance


2.	Regulatory Requirements	2.1 2.2 2.3 2.4 2.4.1 2.4.2 2.4.3 2.5 2.5.1 2.5.2 2.6 2.7 2.8	Know Your Customer Laws and regulations applicable to financial services Anti-money laundering, sanctions risk, tax evasion, Foreign Account Tax Compliance Act, automatic exchange of information, common reporting standards and Counter Terrorist Financing Suitability obligations & mis-selling Market misconduct under the SFO 2.4.1 Insider trading 2.4.2 Price rigging 2.4.3 Other types of securities fraud e.g. market manipulation Customer protection laws 2.5.1 Treat Customers Fairly Charter 2.5.2 Personal Data (Privacy) Ordinance Equal opportunities Bribery & corruption, acceptance of gifts & entertainment Prevention of financial crimes
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Chapter 4: Corporate Governance and Internal Control			
1.	Corporate Governance	1.1 1.2 1.3 1.4	Introduction Structuring of the bank 1.2.1 Organisational structure 1.2.2 The board 1.2.3 Specialised committees Stakeholders in corporate governance Implications of CG6 and ECF
2.	Internal Controls	2.1 2.2 2.3 2.4 2.5	Elements of internal control systems Attributes of an effective control system Compliance Internal audit Risk management

Professional Ethics and Compliance

		2.6	Costs & benefits of internal control
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E. Essential Readings


 HKIB Study Guide - Professional Ethics and Compliance (2018)


F. Supplementary Readings

 Mark Hsiao. (2013). Principles of Hong Kong Banking Law. Sweet & Maxwell

G. Further Readings

 John R. Boatright. (2014). Ethics in Finance (3rd ed.). Wiley-Blackwell.

 HKIB E-learning Course No. 16 – Corporate Governance

 HKIB E-learning Course No. 33 - Global Banking Supervision

For more details, please refer to further reading session at end of each chapter.





Fundamentals of Accounting

A. *Module Objectives*




This module contributes to the achievement of the Programme Intended Learning Outcomes by enabling candidates to an understanding on the general principles of basic accounting, budgeting principles and legal concepts related to banking and finance. It will also help the candidates to relate essential knowledge and concepts in financial accounting to real life application. This is an introductory module that serves to equip candidates with the fundamental but essential knowledge on the two professional areas such that candidates would be well-prepared to examine and analyse further issues in these two areas when they proceed to study specialist module such as “Banking Law and Practice” in their advanced level of studies under the CB programme.

B. *Module Intended Learning Outcomes*

Upon completion of this module, candidates should be able to:

-  employ the concepts and accounting principles in financial reporting which relate to different areas of work;
-  apply the concepts in financial accounting which are relevant to commercial lending;
-  employ the wide range of key accounting concepts and principles essential to the world of banking in an appropriate manner;
-  understand and apply budgeting principles to evaluate business performance.

C. *Assessment Method*

-  Examination: 50 Multiple Choice questions
-  Passing mark for this module is 70%
-  Time allowed: 1.5 hours

Fundamentals of Accounting

D. Syllabus

Chapter 1: Financial Reporting			
1.	Basics of Book Keeping	1.1 1.2 1.3	Accounting of financial transactions Double-entry booking system Construction of a trial balance
2.	Understanding Financial Statements	2.1 2.2 2.2.1 2.2.2 2.2.3 2.2.4 2.3 2.4 2.4.1 2.4.2	Objectives of financial statements Major components of financial statements Balance sheet Income statement Statement of changes in equity Cash flow statement Conceptual framework for the preparation of financial statements Features of financial statements Quantitative characteristics Qualitative characteristics
3.	Regulatory Environment for Financial Reporting in Hong Kong	3.1 3.2	Framework for the preparation of financial statements Regulatory bodies responsible for setting accounting standards

Chapter 2: Interpretation of Financial Statements			
1.	Use of Financial Statements in Commercial Lending	1.1 1.2	Introduction Objectives of financial statement analysis
2.	Financial Statement Analysis	2.1 2.2 2.3 2.3.1 2.3.2 2.3.3 2.3.4 2.3.5	Earnings analysis Developing a profit projection Ratio analysis Profitability ratios Efficiency ratios Investor ratios Return on assets as a measure of operating profitability Return on Shareholders' Equity

Fundamentals of Accounting

3.	Comparison of Financial Statements of a Bank to Non-bank Entities		2.3.6	Liquidity ratios
			2.3.7	Stability ratios
			2.3.8	Usefulness and limitations of ratio analysis
		2.4	Financial performance trend analysis and industry comparison	
		3.1	Financial statements of a bank	
		3.2	Financial statements of non-bank entities	

Chapter 3: Investment Decisions and Valuation

1.	Fundamental Analysis of Investment Decisions	1.1	Risk and return	
		1.2	Expected rate of return	
2.	Capital Expenditure Analysis	2.1	Capital budgeting	
		2.2	Discounted cash flow	
3.	Value of a Firm	3.1	Present value of expected future cash flow	
		3.2	Net asset / Net worth approach	
		3.3	Fundamental analysis of financial statement based information	
			3.3.1	Net assets
			3.3.2	Earnings
		3.4	Goodwill and fair values	

Chapter 4: Budgeting & Performance Measurement in Banking

1.	Planning Decisions	1.1	Cost/volume/profit analysis	
		1.2	Contribution margin	
		1.3	Break-even point	
2.	Budgeting and Evaluating Performance	2.1	Basics of standard costing	
		2.2	Variance analysis	
		2.3	Bank level performance measurements	
		2.4	Division level performance measurements	

Fundamentals of Accounting**E. Essential Readings**

- HKIB Study Guide – Fundamentals of Accounting (2018)

F. Supplementary Readings

- HKIB E-learning Course No. 24 – Financial Accounting
- HKIB E-learning Course No. 51 – Understanding financial Statements
- Thomas Edmonds, Christopher Edmonds, Frances McNair and Philip Olds. (2015). Fundamental Financial Accounting Concepts (9th ed.). McGraw Hill

G. Further Readings

- HKIB E-learning Course No. 18 – Credit Analysis
- HKIB E-learning Course No. 25 – Financial Institution Analysis – CAMELS Approach
- HKIB E-learning Course No. 39 – Management Accounting
- Scott McCleskey. (2010). When Free Markets Fail: Saving the Market When It Can't Save Itself (1st ed.). Wiley

For more details, please refer to further reading session at end of each chapter.

Introduction to Banking Law

A. *Module Objectives*

This module aims to equip candidates with the fundamental but essential knowledge on the general principles of legal concepts related to banking and finance. It also helps them to understand the relevant application of laws and regulations, and to comply with relevant laws, regulations and internal policies. This is an introductory module that serves to equip candidates with the fundamental but essential knowledge on the this area such that candidates would be well-prepared to examine and analyse further issues when they proceed to study specialist module such as “Banking Law and Practice” in their advanced level of studies under the CB programme.

B. *Module Intended Learning Outcomes*

Upon completion of this module, candidates should be able to:

- ✚ Apply relevant laws and regulations, and comply with internal policies relating to the banking industry when executing tasks, tackling business issues, and handling requests from law enforcement agencies and regulatory bodies;
- ✚ Develop a fair and cordial banker-customer relationship through the application of relevant laws, regulations and codes of conduct; and
- ✚ Understand the rights and liabilities of the bank and its customers when dealing with negotiable instruments in order to comply with the legal requirements.

C. *Assessment Method*

- ✚ Examination: 50 Multiple Choice questions
- ✚ Passing mark for this module is 70%
- ✚ Time allowed: 1.5 hours

Introduction to Banking Law

D. Syllabus

Chapter 1: Basic Legal Principles			
1.	Sources of Laws Applicable to the Banking Industry	1.1	Introduction
		1.2	The Basic Law of the HKSAR
		1.3	Legislation
		1.3.1	Banking Ordinance
		1.3.2	Financial Institutions (Resolutions) Ordinance
		1.3.3	Securities and Futures Ordinance
		1.3.4	Anti-money laundering legislation
		1.3.5	Personal Data Privacy Ordinance
		1.3.6	Prevention of Bribery Ordinance
		1.3.7	Companies Ordinance
		1.3.8	Bills of Exchange Ordinance
		1.3.9	Inland Revenue Ordinance
		1.3.10	Anti-discrimination legislation
		1.3.11	Competition Ordinance
		1.4	Common law & equity
		1.5	Regulatory guidelines
2.	Law of Contract in Banking	2.1	The essentials of a valid contract
		2.2	Intention to create legal relations
		2.3	Formalities: forms of a contract
		2.4	Capacity
		2.5	Terms of a contract
		2.6	Misrepresentation
		2.7	Undue influence
		2.8	Discharge of a contract
		2.9	Effect of breach of contract
		2.10	Limitation of action
3.	Other Relevant Banking Laws	3.1	Trust law
		3.2	Insolvency law
		3.3	Land law relating to mortgages
		3.4	Agency law
		3.5	Law of guarantee

Introduction to Banking Law


Chapter 2: Regulatory Framework in Banking and Financial Markets			
1.	Regulatory Framework	1.1	Purposes and cause of regulation
		1.2	Role of the regulatory bodies
		1.2.1	HKMA including the Code of Conduct
		1.2.2	SFC
		1.2.3	MPFA
		1.2.4	IIA
		1.3	Relationship between regulations and governmental policy
2.	Major Statutory and Regulatory Requirements	2.1	Banking Ordinance
		2.1.1	Limitations on granting loans and advances
		2.1.2	Limitations on advances to directors and connected parties
		2.1.3	Limitations on advances to employees
		2.1.4	Limitations on shareholding by Als
		2.1.5	Limitations on holding of interest in land by Als
		2.1.6	Liquidity requirements
		2.2	Securities and Futures Ordinance
		2.2.1	Licensing
		2.2.2	Regulation over the sale of retail investment products
		2.2.3	Offences and misconduct
		2.3	Insurance Companies Ordinance
		2.3.1	Licensing
		2.3.2	Guidelines
		2.4	Supervisory regime – (Basel) International standards
		2.4.1	Basel Committee
		2.4.2	Basel I & II
		2.4.3	Basel III
		2.4.4	The major reforms
		2.5	Banking Compliance
Chapter 3: Negotiable Instruments			

Introduction to Banking Law


1.	Introduction	1.1	Types of negotiable instruments 1.1.1 Bills of exchange 1.1.2 Cheques 1.1.3 Promissory notes 1.1.4 Banker's drafts 1.1.5 Travellers' cheques 1.1.6 Bearer bonds 1.1.7 Debentures
		1.2	Rights and liabilities of parties
2.	Cheques	2.1	General features of Cheques 2.1.1 Characteristics of a cheque 2.1.2 Relationship with other bills of exchange 2.1.3 Classification of cheques and indorsement 2.1.4 Liabilities of parties 2.1.5 Holder for value, holder in due course 2.1.6 Crossings 2.1.7 Discharge of liabilities
		2.2	Collection of cheques 2.2.1 The Hong Kong Clearing System 2.2.2 Collecting banker's duties 2.2.3 The bank as holder for value 2.2.4 Claims by third parties against collecting bankers 2.2.5 Defence for collecting banks
		2.3	Payment of cheques 2.3.1 Paying banker's duties 2.3.2 Claims by third parties against paying bankers 2.3.3 Statutory protection of the paying banker

E. Essential Readings

Introduction to Banking Law


 HKIB Study Guide – Introduction to Banking Law (2018)


F. Supplementary Readings

 Chan Bo-ching Simon. (2000). Hong Kong Banking Law and Practice (Vol.1). The Hong Kong Institute of Bankers.

 Mark Hsiao. (2013). Principles of Hong Kong Banking Law. Sweet & Maxwell

G. Further Readings

 Claire Wilson. (2016). Banking Law and Practice in Hong Kong. Sweet & Maxwell.

 HKIB E-learning Course No. 1 – Anti Money Laundering

 HKIB E-learning Course No. 7 – Basel III

For more details, please refer to further reading session at end of each chapter.





Risk Management

A. Module Objectives




This module aims to provide the candidates with a solid and practical knowledge on risk management. They are expected able to identify and analyze different types of risks related to general banking and finance area especially for the ones threatening the banking industry today. They will also understand and apply the basic risk management principles at bank level. Topics covered in this module serve as an important building block for candidates as they proceed further to the ultimate specialist level of modules such as “Credit Risk Management” and “Operational Risk Management”.

B. Module Intended Learning Outcomes

Upon completion of this module, candidates should be able to:

-  Apply and follow the principles of sound governance, and environmental and social responsibilities that apply to risk management at work;
-  Analyse the risk issues faced by the banking industry nowadays;
-  Apply risk management techniques to alleviate different types of risks encountered at work; and
-  Execute and monitor measures according to legal, regulatory and compliance requirements in a business context relating to risk.

C. Assessment Method

-  Examination: 50 Multiple Choice questions
-  Passing mark for this module is 70%
-  Time allowed: 1.5 hours

Risk Management

D. Syllabus

Chapter 1: Introduction & Process of Risk Management			
1.	Introduction to Risk Management	1.1	Definition of risk
		1.2	Types of risk
		1.3	Principles of risk management
		1.4	Concepts of risk financing, risk control, hedging and insurance
		1.5	The need for risk management
2.	Process of Risk Management	2.1	Introduction
		2.2	Identifying risk
		2.2.1	Inherent risks in banking activities
		2.2.2	Identification of risk drivers
		2.3	Measuring risk
		2.3.1	Risk measurement methodologies
		2.3.2	Risk measurement in practice
		2.4	Managing risk
		2.4.1	Principles for developing risk policies and procedures
		2.4.2	Limits setting
		2.4.3	Use of tools and methods
		2.5	Monitoring risk
		2.5.1	Risk management information systems
		2.5.2	Key risk indicators
		2.5.3	Risk mitigation

Chapter 2: Regulatory Requirements in Risk Management			
1.	Regulations of Financial Institutions	1.1	The HKMA supervisory policy manual
		1.1.1	Risk management environment
		1.1.2	Oversight of risk management by the board and senior management
		1.1.3	Policies, procedures and limits of a sound risk management system
		1.1.4	Risk assessment prior to launching new products and services

Risk Management

2.	Basel	<ul style="list-style-type: none"> 1.1.5 1.1.6 1.1.7 1.2 1.3 2.1 2.2 2.2.1 2.2.2 2.2.3 2.3 	<ul style="list-style-type: none"> Risk measurement, monitoring and reporting Enterprise risk management framework (3 lines of defence) (draft) Risk measurements and the Risk Management function CAMEL rating system for banks Bank culture reform Basel Committee on Banking Supervision Development of Basel <ul style="list-style-type: none"> Basel I Basel II Basel III Applications of Basel in different business models
3.	Case Sharing on the Consequences of Violating Regulatory Requirements in Risk Management		

Chapter 3: Structuring Risk Management Functions			
1.	Organisation of Risk Management Functions in a Bank	<ul style="list-style-type: none"> 1.1 1.2 1.3 	<ul style="list-style-type: none"> General Risk Management Committees <ul style="list-style-type: none"> Risk Executive Committee Group Reputational Risk Committee Finance and Audit Roles & responsibilities of major parties <ul style="list-style-type: none"> Management Board Supervisory Board Chief Risk Officer Framework for internal control
2.	Risk Management Tools and Measures	<ul style="list-style-type: none"> 2.1 	<ul style="list-style-type: none"> Use of economic capital for risk management <ul style="list-style-type: none"> VaR RWA Capital adequacy (Common Equity Tier 1) Risk-adjusted return on capital

Risk Management**E. Essential Readings**

- ✚ HKIB Study Guide – Risk Management (2018)
- ✚ HKMA Background Brief No. 2 –Banking Supervision in Hong Kong (second edition) issued by the HKMA
- ✚ HKMA Supervisory Policy Manual IC-1: General Risk Management Controls
- ✚ HKMA Supervisory Policy Manual SA-1: Risk-based Supervisory Approach
- ✚ HKMA Supervisory Policy Manual OR-1: Operational Risk Management

F. Supplementary Readings

- ✚ HKMA's Guidelines and Circulars to all authorized institutions in Hong Kong: Implementation of Basel III in Hong Kong (dated 26 January 2011)
- ✚ HKIB E-learning Course No. 41 – Market Risk – Basic
- ✚ HKIB E-learning Course No. 47 – Risk Analysis

G. Further Readings

- ✚ Basel III: A global regulatory framework for more resilient banks and banking systems –revised version June 2011 (issued by Basel Committee on Banking Supervision)
- ✚ John Hull. (2015). Risk Management and Financial Institutions (4th ed.). Wiley.
- ✚ HKMA Supervisory Policy Manual CA-G-1: Overview of Capital Adequacy Regime for Locally Incorporated Authorized Institutions
- ✚ HKMA (2016). Guide to Authorization: Chapter 3 - The Legal and Supervisory Framework.
- ✚ HKIB E-learning Course No.17 – Counter Party Credit Risk
- ✚ HKIB E-learning Course No. 35 – Governance, Risk and Compliance
- ✚ HKIB E-learning Course No. 42 – Market Risk – Intermediate
- ✚ HKIB E-learning Course No. 46 – Operational Risk Management
- ✚ Saptarshi Ganguly, Holger Harreis, Ben Margolis, Kayvaun Rowshankish (2017). Digital risk: Transforming risk management for the 2020s. Available at

Risk Management

<https://www.mckinsey.com/business-functions/risk/our-insights/digital-risk-transforming-risk-management-for-the-2020s>

For more details, please refer to further reading session at end of each chapter.






Fundamentals of Treasury Markets

A. *Module Objectives*




This module aims to provide the candidates with a solid and rigorous introduction to the basic functions and regulatory framework of financial systems and treasury markets, as well as the overview of the relevant treasury products and operations.

B. *Module Intended Learning Outcomes*

Upon completion of this module, candidates should be able to:

-  Apply macroeconomic theories in explaining how the financial system works;
-  Understand the key aspects of the regulatory framework in treasury markets;
-  Differentiate and analyse different treasury markets and financial products;
-  Explain the key concepts of prudent risk management; and
-  Apply the Code of Conduct and Practice in their work environment.

C. *Assessment Method*

-  Examination: 50 Multiple Choice questions
-  Passing mark for this module is 70%
-  Time allowed: 1.5 hours

Fundamentals of Treasury Markets

D. Syllabus

Chapter 1: Financial markets and systems	
1.	Features and functions of financial markets and market participants
2.	Types of financial instruments, exchange-traded and over-the-counter markets
3.	Money demand and supply, equilibrium interest rate and economic indicators
4.	General market practices and dealing room operations
5.	Objectives and functions of a central authority, monetary policy and the policy implications on the economy.

Chapter 2: Forex and money markets	
1.	Characteristics of forex and forex dealing
2.	The exchange rate system
3.	Importance of the forex market, market size, and major forex trading centres and participants
4.	Spot and forward forex markets
5.	Forex dealing in the spot market
6.	Characteristics and functions of the money market
7.	The money market and forex market
8.	Participants in the money market

Chapter 3: Interest rate and the economy	
1.	Borrowing and lending maturities
2.	Factors affecting interest rates determination

Fundamentals of Treasury Markets

3.	Short-term money market instruments
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Chapter 4: Debt and capital markets	
1.	Basic features of a bond (coupon, principal, maturity, price, yield and credit quality)
2.	Bond issuing and investing (issuers, investors, indexes, pricing and investment risks)
3.	Types of bonds (classification by properties and characteristics and by issuers)
4.	Bond markets (primary and secondary markets) and the development of RMB bonds
5.	Types of equity security and the Hong Kong Stock Exchange

Chapter 5: Derivatives and commodities markets			
1.	Futures and forwards	1.1	Characteristics and differences
		1.2	Types of forward and futures transactions and market participants
		1.3	Settlement and delivery procedures
		1.4	Over-the-counter markets
		1.5	Hedging
2.	Types of swaps (interest rate, cross-currency and credit default)		
3.	Options	3.1	Factors affecting an option's value
		3.2	Delivery and settlement
		3.3	Credit options, options in other financial markets and exotic options
4.	Structured products		
5.	Precious metals and other commodities markets (market features, participants and pricing fundamentals)		

Chapter 6: Operations and risk management			
1.	Introduction to risk management		
2.	Operational risk	2.1	Internal and external fraud

Fundamentals of Treasury Markets

		2.2	Employment and business practices
		2.3	Business disruption, system failures and contingency
3.	The Basel Committee's ten principles for managing operational risks		

Chapter 7: Ethics and compliance	
1.	Code of Conduct and Practice of the TMA (Elementary Level)
2.	Overview of the legal and regulatory framework in Hong Kong

E. Essential Readings

- ✚ Fabozzi, F J, Modigliani, F and Jones, F J (2013) *Foundations of Financial Markets and Institutions*, 4th Edition, Upper Saddle River, NJ: Pearson Education.
- ✚ HKIB E-learning Course No. 25 - Financial Institution Analysis - CAMELS Approach
- ✚ HKIB E-learning Course No. 45 - Operational Risk Management
- ✚ Treasury Markets Association Code of Conduct and Practice (30Jun2017 version)
<http://www.tma.org.hk/PubFile/tmacode.pdf>

F. Supplementary Readings

- ✚ Brigham, E.F., & Ehrhardt, M.C. (2013). *Financial management: Theory & Practice*. Cengage Learning.
- ✚ Christoffersen, P.F. (2012). *Elements of Financial Risk Management*. Academic Press.
- ✚ Grinblatt, M., & Titman, S. (2016). *Financial Markets & Corporate strategy*.
- ✚ Ho, S.S., R.H., & Wong, K.A. (2004). *The Hong Kong Financial System: A New Age*. Oxford University Press.
- ✚ King, M.R., Osler, C.L., Rime, D. (2011). *Foreign exchange market structure, players and evolution*.

Fundamentals of Treasury Markets**G. Further Readings**

-  HKIB E-learning Course No. 10 – CTM – Foreign Exchange Management
-  HKIB E-learning Course No. 19 – Credit Derivatives
-  HKIB E-learning Course No. 22 – Equity Markets
-  HKIB E-learning Course No. 29 – Fixed Income Markets
-  HKIB E-learning Course No. 31 – Foreign Exchange Markets
-  HKIB E-learning Course No. 32 – Futures and Forwards
-  HKIB E-learning Course No. 43 – Money Markets
-  HKIB E-learning Course No. 48 – Swaps

ECF on Anti-Money Laundering and Counter-Financing of Terrorism

(AML/CFT) (Core Level)

Please refer to the AML Certificates Handbook on for details.

4. Professional Diploma for Certified Banker

A. Programme Objectives

In response to the talent development needs of the industry, HKIB provides the Professional Diploma for Certified Banker programme. The modules aim to prepare participants to fulfil the professional competence required under the banking industry standard, the Enhanced Competency Framework (ECF).

There are two main objectives of the Professional Diploma programme:

Generalist Knowledge





The programme is developed with the objective of providing participants with generalist knowledge across different major areas of banking in order to be capable of discerning the intricacies between different operations. This is important for developing a comprehensive evaluation of impacts and risks on its own management regime and paves the way for taking up managerial positions in banks.

Evaluative Skills

Besides generalist knowledge, management of a bank also requires cognitive skills to evaluate and integrate information in a banking context. Hence, one can apply the learned skills on other disciplines in banking to his/her own regime and pave the way for the “Professional Diploma for Certified Banker” which participants will be developed into a specialist in a particular discipline of banking. As a result, HKIB launched the Professional Diploma for Certified Banker to offer a learning opportunity for banking practitioners to become a generalist.

B. Entry Requirements

All learners must be members of HKIB and fulfil the stipulated minimum entry requirements:

-  The Advanced Diploma for Certified Banker offered by HKIB; OR
-  A Bachelor's Degree in a banking and finance related discipline awarded by a recognised university plus 1 year of banking and finance work experience; OR
-  A relevant professional qualification plus 1 year of banking and finance work experience; OR
-  Mature applicants with at least 10 years of banking and finance work experience.

Remarks

1. Applicants who do not possess a pass in Professional Ethics and Compliance or module(s) of the same nature at HKIB are required to first sign up for the training and obtain a pass in the corresponding examination at HKIB.

C. Programme Intended Learning Outcomes

Upon completion of the Programme, learners should be able to:

- ✚ Evaluate and integrate key theories / knowledge in a major discipline of banking in order to design strategies for achieving the business goals and objectives;
- ✚ Analyse information provided by the bank's customers, different banking units or other sources in order to assess and identify critical issues for successful implementation of the strategies (e.g. inherent risks, changes in the banking environment, the needs of different stakeholders, etc.); and
- ✚ Manage execution and exceptional issues during the implementation of the bank's strategies by developing a solution / management plan after appraising the situations, potential risks, the changing banking environment, etc.

D. Completion Requirements and Award Titles

Learners who have achieved a total of 60 QF credits will be awarded with the Professional Diploma for Certified Banker. Members with two years of work experience in the banking and financial service sector will be eligible to use the CB (Stage II) designation upon election. Eligible members will be invited to submit the Practical Experience Form, which is also available at the HKIB website (<https://www.hkib.org/>).

Starting 2018, the completion period of the Professional Diploma for Certified Banker is 8 years from the year the first module was completed.





Business and People Management

A. *Module Objectives*




This module contributes to the achievement of the Programme Intended Learning Outcomes by offering candidates a unique position and perspective to examine important issues in a business and in an organisation. This module encompasses business planning, strategic corporate management issues as well as the people element in a business and organization. The various approach to analyze issues linked with people and business management by use of technological aids would enable candidates meet other programme outcomes

B. *Module Intended Learning Outcomes*

Upon completion of this module, candidates should be able to:

-  compare and contrast the different components of the business planning process;
-  evaluate how the process is critically applied in formulating business plans and corporate strategies;
-  analyse the personal attributes of a leader and identify the prerequisites for development of leadership;
-  manage team management issues by applying the most appropriate approach after appraising the particular situation

C. *Assessment Method*

-  Examination: 50-60 Multiple Choice questions and TWO Essay questions out of THREE
-  Passing mark for this module is 60%.
-  Time allowed: 3 hours.

Business and People Management

D. Syllabus

A. Business Organization and Management			
1.	The management process	1.1 1.2 1.3 1.4 1.5 1.6 1.7	Working in contemporary organizations Organizational culture and diversity Internal environmental issues and culture External environmental issues and competitive forces The purpose of the business plan The elements of a typical business plan Ethical behaviour and social responsibility
2.	Managing and developing human resources	2.1 2.2 2.3 2.4 2.5 2.6	Foundations of human behaviour Motivation theory and practice Financial and non-financial methods of motivation Measuring the effectiveness of the workforce Training and appraising the workforce Workforce planning
3.	Communication	3.1 3.2 3.3 3.4 3.5 3.6	The communication process Improving communication Causes of conflict and conflict resolution Formal and informal communication The nature and benefits of different communication media, including 'information and communications technology' (ICT) Understanding and overcoming the barriers to communication
4.	Implementing and managing change	4.1 4.2 4.3	Understanding the causes and effects of change Understanding and dealing with resistance to change Implementing and evaluating the change process
5.	Strategic Management	5.1	The strategic management process

Business and People Management

		5.2	Strategic analysis
		5.3	Corporate-level and business-level strategy formulation
		5.4	Strategy implementation



B. Marketing			
1.	Marketing	1.1	Understanding the marketing concept
		1.2	The nature and benefits of marketing research
		1.3	The nature and benefits of market segmentation
		1.4	Understanding the nature and use of the marketing mix (4Ps and 7Ps)
		1.5	Understanding the nature and significance of the product life cycle - Conducting a product portfolio analysis
		1.6	Analysing the different marketing environments
		1.7	Assessing the competition and the key competitive forces
		1.8	Marketing planning and objective setting
		1.9	Developing and implementing appropriate marketing strategies

C. Leadership			
1.	Leadership	1.1	The nature of leadership
		1.2	The characteristics of leaders
		1.3	Developing an appropriate leadership style and approach
		1.4	Understanding the different types of groups and teams
		1.5	Understanding the stages of group development
		1.6	Understanding the different roles of individuals within a team
		1.7	Recognising the nature and importance of team building
		1.8	Understanding the role of leadership in managing change
D. Team Management			
1.	Team Management	1.1	The nature and functions of management


Business and People Management

	1.2	Essential managerial skills and competencies
	1.3	The decision-making process
	1.4	Fundamentals of planning
	1.5	Types of plans and planning tools
	1.6	Fundamentals of organizing
	1.7	Organization structures
	1.8	Fundamentals of control
	1.9	The control process and control tools and techniques

E. Essential Readings

-  John R. Schermerhorn, Jr. (2015). Introduction to Management (13th ed.). John Wiley & Sons, Inc.
-  Dave Hall, Rob Jones, Carlo Raffo and Alain Anderton. (2008). Business Studies (4th ed.). Pearson Education.

F. Further Readings

-  Michael A. Hitt. (2010). Organizational Behavior (3rd ed.). Wiley.




Corporate Finance Services

A. *Module Objectives*




Corporate finance bankers nowadays may also act as advisors to provide specific corporate finance applications, by helping corporations analyze their financing needs and to recommend tailored-made solutions. This module contributes to the achievement of the Programme Intended Learning Outcomes by drawing candidates' attention to the market segments where the financing needs of corporate borrowers are identified, before applying their knowledge to discuss the different financing alternatives for customers under different situations. Together with the considerations for risk management options in the corporate financing market, the topics covered in this module serve to equip candidates with the necessary techniques for the next stage of studies under the CB programme, such as "Bank Lending", "Credit Risk Management", "Treasury Markets and Operations"

B. *Module Intended Learning Outcomes*

Upon completion of this module, candidates should be able to:

-  plan and design an appropriate package of credit solutions and capital-raising strategies to meet the domestic or international financing needs of customers in different markets;
-  identify and assess the risks involved in corporate financing transactions to both the borrower and the financier;
-  consolidate the risk issues in corporate finance and construct strategies to deal with the issues for discussion with peers of all levels.

C. *Assessment Method*

-  Examination: 50-60 Multiple Choice questions and TWO Essay questions out of THREE
-  Passing mark for this module is 60%.
-  Time allowed: 3 hours.

Corporate Finance Services

D. Syllabus

A. Sources and Types of Finance for Corporations			
1.	Corporate Lending	1.1	Term loans; syndicated loans; and leveraged leasing; standby facilities, revolving credits and note issuance facilities
		1.2	Choice of debt market (e.g. euro-dollar market, domestic market)
		1.3	Lending policy and procedure (e.g. credit analysis, loan review)
2.	Debt financing	2.1	Alternatives to bank finance including bonds, foreign bonds; euronotes; commercial paper, and Medium Term Note (MTN) facilities.
		2.2	Bond issuing (e.g. bond price, bond covenants, call provision)
		2.3	Bond rating
		2.4	Convertible bonds
		2.5	Leasing
		2.6	Mortgage backed securities, CMOs and CDOs
		2.7	Developments in the Hong Kong bond market.
3.	Equity financing	3.1	Features of common stock; preferred stocks; ETFs; convertible securities and warrants, and ADRs.
		3.2	IPO and Costs & benefits of new issues
		3.3	Methods of listing; offer for subscription; offer for sale; open offer; and rights issues.
		3.4	The private equity market
		3.5	Developments in Hong Kong and characteristics of the Hong Kong equity market: e.g. "H" shares and over subscription problems
4.	Financing special transactions or projects	4.1	Project finance - limited recourse; impact on borrower's and project sponsor's balance sheet
		4.2	Advantages of borrowing on project terms


Corporate Finance Services


B. Sources and Types of Risks for Financial Management in Banks			
1.	Cross-Border Risks	1.1	Use and parameters for country risk analysis
		1.2	Cross border lending risks, e.g. exchange control; regulatory and tax considerations, etc
2.	Corporate Treasury Management	2.1	Currency and interest rate risk and exposure management
		2.2	Understanding of currency swaps; interest rate swaps; asset swaps; financial futures; forward contracts; options; negotiable instruments
3.	Credit Risk Management in Bank Lending	3.1	Credit derivatives and its limitations (documentation, counterparty issues, etc.) for the management of risk

E. Essential Readings


 Ross, Lim, Tan & Wong. (2015). Corporate Finance (Asia Global ed.). McGraw-Hill


F. Supplementary Readings

 Pascal Quiry, Yann Le Fur, Antonio Salvi and Maurizio Dallochio. (2011). Frequently Asked Questions in Corporate Finance (1st ed.). Wiley.

 Barbara Weber, Hans Wilhelm Alfen (2010). Infrastructure as an Asset Class: Investment Strategies, Project Finance and PPP. Wiley

G. Further Readings

 Saunders and Cornett. (2006). Financial Institutions Management: A Risk Management Approach (7th ed.). McGraw-Hill.

 McKinsey & Company Inc., Tim Koller, Richard Dobbs and Bill Huyett. (2010). Value: The Four Cornerstones of Corporate Finance (1st ed.). Wiley.




Finance of International Trade

A. *Module Objectives*




This module contributes to the achievement of the Programme Intended Learning Outcomes by providing candidates a very important background on the international trade environment today, in which not only importing and exporting corporations operate alone but also financiers aid to offer their package of financing solutions. Leveraging on the above essential knowledge on the settings, candidates would extend their analytical skills to the more technical side of international trade financing activities. Candidates would also explore and assess other areas of import/export trade such as trade promotions and support programmes, and also the related risks involved in international trade-financing, in order to achieve a complete discussion of this specialist banking area.

B. *Module Intended Learning Outcomes*

Upon completion of this module, candidates should be able to:

-  Attain enhancement of specialised knowledge in international trade terms and internationally accepted code of practice which serve as a solid ground of communications with a range of audiences including international trade finance customers, peers and internal operation units within banks;
-  Analyse critically the financing needs of trade borrowers and design tailored-made financing solutions to meet clients' needs;
-  Diagnose the key risk issues in trade financing transactions and mitigate the risks involved.

C. *Assessment Method*

-  Examination: 50-60 Multiple Choice questions and TWO Essay questions out of THREE
-  Passing mark for this module is 60%.
-  Time allowed: 3 hours.

Finance of International Trade

D. Syllabus

A. Introduction to International Trade Finance			
1.	What is International Trade Finance?	1.1	Meaning and importance of international trade finance
		1.2	Types of customers in Hong Kong and abroad; their needs and the opportunities for banks and other bodies that these present;
		1.3	Various roles of banks in facilitating international trade; growth of world trade and changes in its commodity and geographical composition;
		1.4	Importance of services in international trade;
		1.5	Basic understanding of logistic management and trade finance; non-bank trade service providers, e.g. Bolero (Bolero.net), Tradecard (Tradecard.com), upscapital.com
B. International Trading Practice			
1.	Methods of Payment in International Trade	1.1	Collection; documentary credit; advanced payment; counter trade; barter/compensation trade; bilateral payment agreement/arrangement and forfaiting
2.	International Payment, Settlement and Clearing Systems	2.1	Payment settlement and clearing; cheques, drafts, mail and telegraphic payment orders (including express money transfers); SWIFT; nostro and vostro accounts and procedures (in general terms); general concept and procedures of Real Time Gross Settlement (RTGS)
		2.2	Electronic banking services including payment and credit cards, giro transfers and means of making regular payments
		2.3	Payment and collection services available from correspondent banks abroad

Finance of International Trade

3.	Commercial and Shipping Terms Used in International Trade	2.4	Settlement in Foreign Currencies (Rates of exchange; factors affecting the movement of rates; protection against exchange risks; mechanics of forward contracts)
		3.1	Common shipping terms and meaning
4.	Documents Used in International Trade	3.2	Purpose of the relevant Incoterms; risks and responsibilities of the parties involved, Incoterms 2010 (ICC Publication 715)
		4.1	Types and uses of bills of exchange; features and functions of basic, shipping, transport and insurance documents;
		4.2	Control and transfer of ownership of goods and insurance;
		4.3	Implications of Electronic Data Interchange (EDI) on international trade

C. Documentary Collections & Documentary Credits			
1.	Documentary Collections	1.1	Collection of cheques and bills of exchange, both clean and documentary. Terminology and procedures.
		1.2	Actions to be taken in the event of dishonour; protection of goods; avalisation of inward bills.
		1.3	A detailed knowledge of Uniform Rules for Collections ICC publication 522 and the relevant features of Bills of Exchange Ordinance
2.	Documentary Credits	2.1	Main types of documentary letters of credit and their documentary requirements and procedures namely, opening, advising, confirmation, negotiation, payment and reimbursement;
		2.2	Liabilities and responsibilities of the parties;
		2.3	Examination of documents and treatment of discrepancies.
		2.4	Uses of credits including acceptance/deferred payment credits, red clause letters of credit, revolving credits, standby credits, transferable and

Finance of International Trade


		2.5	back-to-back credits. A detailed knowledge of Uniform Customs and Practice for Documentary Credits UCP600 and Uniform Rules for Bank-to-Bank Reimbursements under Documentary Credit, ICC publication 725, International Standby Practice ISP 98, ISBP and eUCP
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D. Trade Finance Services and Trade Related Risk			
1.	Import and Export Finance	1.1	Import financing, including produce/merchandise advances against security of goods and trust receipt.
		1.2	Export financing, including purchasing, negotiating, accepting and discounting bills under documentary credits or documentary collections; packing loan; factoring; invoice discounting; advance under ECIC policies; banker's acceptance.
		1.3	Risks involved in granting trade finance facilities to importers and exporters. Difference between foreign L/C and local L/C.
2.	Trade Promotion and Supporting Services	2.1	Trade promotion services from banks, official and semi-official bodies (e.g. Trade and Industry Department, Trade Development Council, Export Credit Insurance Corporation, Chambers of Commerce) to develop trade and investment
		2.2	Letters of introduction; sources of information/advice; using correspondent banks including status reports, economic conditions, entry to overseas markets.
		2.3	Types and procedures of bank guarantees and bonds in facilitating international trade; risks and responsibilities of issuers; ways to minimize risks; Uniform Rules for Demand Guarantees, etc
		2.4	Other government involvement in export credit arrangement; need for export credit; export promotion schemes and facilities in other countries such as UK – ECGD and other EC countries, USA – EXIM bank, China –




Finance of International Trade

			Import- Export Bank (general basic understanding).
		2.5	WTO and GATT and other agencies involved in international trade.
3.	Trade Fraud	3.1	Types of trade fraud
		3.2	Fake goods
		3.3	Forged documents
		3.4	Money laundering
		3.5	Prevention measures
4.	Risk and Risk Management in International Trade	4.1	Types of risk: political and economic risk, credit risk, performance risk, documentary risk, foreign exchange risk, transfer risk, interest rate risk
		4.2	Fraud
		4.3	Risk Management, including protection against above risks
		4.4	Rules and regulations governing fraud and money laundering







E. Essential Readings

-  Luk Kwai Wing. (2011). International Trade Finance: A Practical Guide (2nd ed.). City University of HongKong

F. Supplementary Readings

-  Paul Cowdell & Derek Hyde. (2004). Finance of International Trade (8th ed.). Financial World Publishing.
-  ICC Guide to Incoterms 2010. (2010). ICC Publication 715. International Chamber of Commerce.
-  ICC Guide to the eUCP. ICC Publication 639. International Chamber of Commerce.

G. Further Readings

-  ICC Uniform Customs and Practice for Documentary Credits. ICC Publication 600 + eUCP. International Chamber of Commerce.
-  ICC Uniform Rules for Bank-to-Bank Reimbursements - A Commentary. ICC Publication 725. International Chamber of Commerce.
-  ICC Uniform Rules for Collections. ICC Publication 522. International Chamber of Commerce.
-  ISBP - International Standard Banking Practice for Examination of L/C. ICC Publication 745. International Chamber of Commerce.
-  ISP 98 - International Standby Practice - The Commentary. ICC Publication 947. International Chamber of Commerce.
-  ISP 98 - International Standby Practice - The Rules. ICC Publication 590. International Chamber of Commerce.

Technology Management and Innovation in Banking

A. *Module Objectives*




This module aims to provide the candidates comprehensive knowledge on the latest development of IT system and financial technology. They are expected to relate the application and implications of the IT systems and financial technology including the relevant regulations and security control to the bank and finance area.

B. *Module Intended Learning Outcomes*

Upon completion of this module, candidates should be able to:

-  Assess and analyze the latest development and market trends of IT systems and financial technology and associate their implications to identify the technology needs of the banks or financial institutions;
-  Evaluate different kinds of financial technology, IT and security infrastructure to enhance and optimize the effectiveness and efficiency of IT platforms and services;
-  Plan, design and implement data analytics based on risks level, technology regulatory requirements and the effectiveness of the security measures;
-  Manage and monitor the system development projects in according to system development standards and requirements; and
-  Monitor the IT operations and services and identify the potential risks for taking actions to ensure smooth operations and risk mitigation.

C. *Assessment Method*

-  Examination: 50-60 multiple choice questions and 2 out of 3 essay questions
-  Passing mark for this module is 60%
-  Time allowed: 3 hours

Technology Management and Innovation in Banking

D. Syllabus

Chapter 1: Overview of Information Systems and Technology Management			
1.	Transformation of the Banking Industry	1.1 1.2 1.3	The next generation of the banking industry Partnership and incubation Emerging 'banking groups'
2.	Impacts of Disintermediation & the Shared Economy	2.1 2.2 2.3	What is 'Banking' and 'Banking Groups'? Paradigm shift of banking for evolving banking needs and client demographics Roles of IT services and talents in the evolving banking industry
3.	Open up Banking	3.1 3.2 3.3	Banking as a Service (BaaS) Private and open API banking Changes in the banking business architecture and industry framework
4.	Banking on the Cloud	4.1 4.2	Cloud architecture Cloud deployment models
5.	Case Sharing on Facing the Challenges and Seizing the Opportunities Arising from the Banking Transformation	5.1 5.2 5.3 5.4 5.5 5.6	Blockchain technology Innovation Lab Payment services Credit technologies Investment – fundraising Remittance services

Chapter 2: Cyber Security and Data Privacy			
1.	Regulatory framework and related regulations for technology management and cybersecurity e.g. HKMA SMP Technology risk management and risk management in E-Banking		
2.	Cyber Security Threats		
3.	Information System Security	3.1	Principles and general practices

Technology Management and Innovation in Banking

	Management	3.2	ISO/IEC 27001 Information security management system
4.	Cyber Security Regime	4.1	Enhanced Competence Framework (ECF)
		4.2	Cybersecurity Fortification Initiative (CFI)
5.	Cyber Security Technologies, Defence and Mitigations	5.1	Anti-DDoS and Security Operation Centre (SOC)
		5.2	Intelligence platforms, Security Information and Event Management (SIEM)
		5.3	Endpoints and mobile device management (MDM)
		5.4	Next-generation firewalls and virtual machine (VM) security
		5.5	Biometrics and multi-factor authentication
		5.6	Cryptography and data encryption standards and applications
6.	Data Privacy Considerations	6.1	Data privacy regulations in Hong Kong

Chapter 3: Data Management, Analytics and Artificial Intelligence			
1.	Big Data Analytics for Financial Services	1.1	Structured Data Analytics
		1.2	Unstructured Data Analytics
		1.3	Data Analytics in Retail Banking
		1.4	Data Analytics in Commercial Banking
		1.5	Data Analytics in Investment Banking and Treasury and Markets
2.	Big Data and Deep Learning Technologies	2.1	Data Pattern Recognition
		2.2	Predictive Analysis
		2.3	Machine Learning and AI
3.	Applications of Artificial Intelligence in Financial Services	3.1	Financial Risk Analysis
		3.2	Fraud Detection
4.	Credit Investigation Services	4.1	Consumer Credit Data
		4.2	SME Credit Data

Technology Management and Innovation in Banking

	4.3	Capital Markets Credit Data
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Chapter 4: FinTech for Digital Banking and Service Channels			
1.	Payment	1.1	Current interbank payment infrastructure
		1.2	Overview of emerging non-bank payment infrastructures
		1.3	Introduction of Stored Value Facilities (SVF) and regulations
		1.4	Functional comparison of conventional and emerging payment solutions in HK
2.	Remittance	2.1	Current remittance architecture
		2.2	SWIFT – history and recent developments
		2.3	Emerging remittance technologies
		2.4	Functional comparison of conventional and emerging remittance solutions in HK
3.	Chatbots	3.1	Technology overview of Chatbots
		3.2	Client services channel
		3.3	Revolution of banking process re-engineering
		3.4	Regulatory and compliance considerations of Chatbots in banking
4.	Robot Advisory	4.1	Overview of conventional retail investment platforms
		4.2	Theoretical review of robo advisory services
		4.3	Robo Advisor versus Human advisor in retail investment
		4.4	Regulations and suitability of robo advisory services in retail investment
		4.5	Introduction of social investing
		4.6	Introduction of algorithm trading in institutional investment
5.	Digital Branch	5.1	Online-to-offline client servicing
		5.2	Roles of branch staff, location and facilities in digital branches

Technology Management and Innovation in Banking

6.	Digital Currency	5.3	Branch banking officers and tellers
		5.4	Retail investment advisors
		5.5	Premier banking services
		5.6	Commercial banking services
		5.7	Increasing Digital Penetration – Change in Roles of Conventional Branches
7.	Distributed Ledger Technology	6.1	Technological overview of digital currencies
		6.2	Development of digital currencies in Hong Kong and internationally
		6.3	Roles of central banks, issuing banks and payment channels
		6.4	Cashless transactions in retail payments
		6.5	Regulatory and compliance considerations
8.	Mobile First and Mobile Only	7.1	Technological overview of Distributed Ledger Technology
		7.2	DLT versus conventional distribution systems
		7.3	Cross-institutional banking workflows
		7.4	DLT applications and future directions
		7.5	Regulatory and compliance considerations
8.	Mobile First and Mobile Only	8.1	Client demographics and banking behaviour
		8.2	Mobile banking versus internet banking versus banking at a branch
		8.3	Business analytics in mobile banking
		8.4	Overview of mobile and related technologies: HTML5, push technologies, open banking API, and mobile devices


Chapter 5: Compliance with Information Technology			
1.	Overview of regulatory technology (RegTech)		
2.	Transaction surveillance and AML	2.1	Application of data analytics
		2.2	Privacy and the use of analytics
3.	Know-your-client (KYC) and	3.1	Aggregation of identity

Technology Management and Innovation in Banking

4.	onboarding technologies	3.2	Biometric authentication
	International efforts	4.1	Joint Financial Intelligence Unit (JFIU)
		4.2	Financial Action Task Force on Money Laundering (FATF)

Chapter 6: Business Analytics, System Projects, and IT Operations			
1.	Overview of system application development and project management methodologies	1.1	SDLC
		1.2	Agile Development
		1.3	Rapid application development (RAD) and prototyping
		1.4	Project management inventory and tools
		1.5	Quality assurance, testing, and change management
2.	Enterprise architecture	2.1	Enterprise architecture versus application design
		2.2	Service oriented architecture (SOA) and industry frameworks
		2.3	Technological stack, inventory, and tools
		2.4	User-centric design (UCD)
3.	Vendor and service outsourcing management	3.1	Principles of IT outsourcing
		3.2	Inception and exit strategies
		3.3	Service level agreement (SLA)
		3.4	Regulatory and compliance considerations
4.	Professional development	4.1	Project management: PMP
		4.2	System service management: ITIL, PRINCE2
		4.3	Business analysis: IIAB
		4.4	Cyber security: CISA, CISSP

E. Essential Readings

 HKIB, Study Guide - Technology Management & Innovation in Banking (2018)

Technology Management and Innovation in Banking**F. Supplementary Readings**

- ✚ Marakas, G.M. and O' Brien, J. (2008). Introduction to Information Systems (16th ed.). Irwin/McGraw-Hill
- ✚ Chris Skinner. Digital Bank: Strategies to Launch or Become a Digital Bank, ISBN 978-9814516464
- ✚ Efraim Turban and Linda Volonino. (2011). Information Technology Management (8th ed.). Wiley

G. Further Readings

- ✚ Chaffey D. and Wood S. (2010). Business Information Management – Improving performance using information systems (2nd ed.). Prentice Hall

For more details, please refer to further reading session at end of each chapter.






Financial Planning

A. *Module Objectives*




This module aims to provide the candidates with an understanding of the legal and regulatory framework governing various banking and wealth management laws and regulations. The candidates will also acquire the basic knowledge of banking practices, services, insurance, tax and retirement planning, fund and asset management, financial planning process.

B. *Module Intended Learning Outcomes*

Upon completion of this module, candidates should be able to:

-  Understand and comply with the general and wealth management specific regulatory requirements;
-  Apply the suitability obligation to the sale of specific types of investment and insurance products;
-  Conduct financial planning in accordance with prescribed steps, such as financial needs analysis and risk assessment;
-  Construct financial plans based on analysis of the needs of customers; and
-  Explain recommendations of bank products and services to customers with respect to their needs and preferred communication style.

C. *Assessment Method*

-  Examination: 50-60 multiple choice questions and 1 case study
-  Passing mark for this module is 60%
-  Time allowed: 3 hours

Financial Planning

D. Syllabus

Chapter 1: Insurance and Retirement planning	
1.	Principles of Insurance
2.	Functions and Benefits of Insurance
3.	Types of Insurance Products
4.	Retirement Plans and the Mandatory Provident Fund (MPF)
5.	Insurance as a Protection Planning Solutions and Personal Risk Management

Chapter 2: Investment and Asset Management			
1.	Asset Management Products and Services	1.1 1.2 1.3 1.4 1.5 1.6	Fixed income investments Equity securities investments Foreign exchange Derivatives Structured products Investment funds and unit trusts
2.	Portfolio Management Theory and Practice	2.1 2.2 2.3 2.4	Introduction to statistics relevant to Portfolio theory Portfolio theory Capital asset pricing model Portfolio management process
3.	Asset Allocation of Investment Funds Portfolio	3.1 3.2	Client investment objectives and fund investment objectives Asset allocation strategies

Chapter 3: Tax Planning and Estate Planning	
1.	Overview of the Taxation System
2.	Principles of Tax Planning
3.	Principles of Estate Planning

Financial Planning

Chapter 4: Financial Planning and Wealth Management							
1.	Regulatory Framework of the Financial Services Industry in Hong Kong						
2.	Overview of the Wealth Management Industry and Asset Management Industry						
3.	<table border="0"> <tr> <td>Fundamentals of Financial Planning</td> <td>3.1</td> <td>Financial planning process</td> </tr> <tr> <td></td> <td>3.2</td> <td>Financial management</td> </tr> </table>	Fundamentals of Financial Planning	3.1	Financial planning process		3.2	Financial management
Fundamentals of Financial Planning	3.1	Financial planning process					
	3.2	Financial management					
4.	Client Relationship Management						
5.	Upholding Professional Ethics and Avoiding Conflicts of Interest						


E. Essential Readings

 HKIB Study Guide - Financial Planning (2017)


F. Supplementary Readings

 Estate Duty Ordinance


 Estate Duty Office Interpretation and Practice Notes

 Harold Evensky, Stephen M. Horan, Thomas R. Robinson (2011) "The New Wealth Management: The Financial Advisor's Guide to Managing and Investing Client Assets, First Edition", CFA Institute Investment Series.

 HKSAR Judiciary: <http://www.info.gov.hk/jud/eindex.htm>


 Ho P., Hong Kong Taxation and Tax Planning, 16th edition (2017), Pilot Publishing, Hong Kong

 Hong Kong Revenue Legislation (including cases) (CCH)

 Hong Kong Taxation and Tax Planning, 13th Edition. Author: Patrick Kin-Wai Ho; (2014), Pilot Publishing,

 Inland Revenue Ordinance

 Inland Revenue Board of Review Decisions (Hong Kong Government Printer)

 John L. Maginn, Donald L. Tuttle, Dennis W. McLeavey, Jerald Pinto (2007) "Managing Investment Portfolios: A Dynamic Process, Third Edition", CFA

Financial Planning

- ✚ The family office dynamic: Pathway to Successful family and wealth management, Credit Suisse Securities (USA) LLC
- ✚ Towers Watson / Financial Times Global Alternatives Survey July 2014
- ✚ HKIB E-learning Course No. 29 – Fixed Income Markets
- ✚ HKIB E-learning Course No. 43 – Money Markets
- ✚ HKIB E-learning Course No. 22 – Equity Markets
- ✚ HKIB E-learning Course No. 31 – Foreign Exchange Markets
- ✚ HKIB E-learning Course No. 23 – Estate Planning
- ✚ HKIB E-learning Course No. 10 – Foreign Exchange Management
- ✚ HKIB E-learning Course No. 11 – Funding and Investments
- ✚ HKIB E-learning Course No. 4 – Asset Securitization
- ✚ HKIB E-learning Course No. 52 – Value at Risk
- ✚ HKIB E-learning Course No. 40-42 – Market Risk
- ✚ HKIB E-learning Course No. 44 – Mutual Funds
- ✚ HKIB E-learning Course No. 27 – Financial Plan

For more details, please refer to further reading session at end of each chapter.

5. Postgraduate Diploma for Certified Banker

A. Programme Objectives

This programme aims to provide banking professionals with expert knowledge and develop skill set required for managerial positions in major functional areas i.e. Credit Management, Treasury Management and Operations Management. As the programme was developed with the objective of nurturing talents for the banking profession, participants would be required to apply their cross-discipline general banking knowledge in the specific functional stream they choose. HKIB, as the programme developer will continuously update the existing modules and specific functional streams as the banking industry needs.

B. Entry Requirements

All learners must be members of HKIB and fulfil the stipulated minimum entry requirements:

- ✚ Completion of “Professional Diploma for Certified Banker”

C. Programme Intended Learning Outcomes

Develop the Strategies

Consolidate and compare the wide range of complex concepts, models and specialized skills in the discipline in order to evaluate the applicability of different approaches and formulate a set of coherent business strategies to meet with the current and future business needs.

Manage the Implementation

Compare and select the right research framework and tools to evaluate and anticipate the development in regulatory, economic, social and/or technological environment relevant to the banking industry in order to draw justified conclusions when making decision on the complex tasks of planning, design and/or management functions in the specialized discipline.

Solve the Problems

Formulate solutions or creative responses to tackle challenges, risks or changing environment by employing advanced business analysis and diagnostic skills to identify the implications and need for changes.

D. Completion Requirements and Award Titles

Learners who have achieved a total of 60 QF credits and completed the Case Study Examination of a specialist stream will be awarded with the Professional Diploma in Credit / Treasury / Operations Management for Certified Banker. Members with three years of work experience in the banking and financial service sector will be eligible to use the CB designation upon election. Eligible members will be invited to submit the Practical Experience Form, which is also available at the HKIB website (<https://www.hkib.org/>).

Starting 2018, the completion period of the Professional Diploma in Credit / Treasury / Operations Management for Certified Banker is 8 years from the year the first module was completed.

Credit Management

Bank Lending

A. Module Objectives

This module contributes to the achievement of the knowledge and skills embedded in the Programme Intended Learning Outcomes by bringing candidates to discuss the entire knowledge of the lending regime. One of the focal objectives is to examine the requirements of business customers such that candidates are led to i) discuss how to match those needs by structuring the best appropriate loan facility for their customers; and ii) to manage the lending risks involved by designing appropriate loan provisions and adopting other administration strategies.

A further mission of the module is to strengthen candidates' analytical skills by extending critical thinking when applying accounting and financial knowledge in the practice of lending, particularly assessing borrowers' financial position during and after a lending decision is made

B. Module Intended Learning Outcomes

Upon completion of this module, candidates should be able to:

- ✚ evaluate critically the major differences of lending to personal customers and to business borrowers by utilizing professional knowledge in cross disciplines;
- ✚ conduct in-depth credit analysis by discretionally utilising financial information and undertaking non-financial research to assess the customer's creditworthiness;
- ✚ formulate a credible business propositions with an appropriate credit facility after synthesizing different researches regarding customers' business needs;
- ✚ compare and contrast different methods of credit monitoring and devise a management process to supervise problem loan monitoring.

C. Assessment Method

✚ Examination: Part I – Case Study question

Part II – THREE Essay questions out of FIVE

✚ Passing mark for this module is 50%.

✚ Time allowed: 3 hours.

Bank Lending

D. Syllabus

A. Personal & Corporate Lending			
1.	Advance to Personal Customers	1.1	Advances to personal customers: home mortgages (including Home Ownership Scheme, village houses etc); bridging loans; probate advances; investment loan and advances relating to consumer expenses; personal loans/overdrafts; tax loans; credit card, etc.
		1.2	Hong Kong Mortgage Corporation Limited – Mortgage Insurance Programme Consumer Credit Data
2.	Interpretation and Analysis of Financial Statements	2.1	Interpretation and critical analysis (including key ratios) for lending purposes of accounting statements including: <ul style="list-style-type: none"> - Balance sheets - Profit and loss accounts - Cash flow statements - Budgets and cash flow forecasts
		2.2	Assessing the reliability of accounting information by its source
		2.3	Interpretation of budgets and cash flow forecasts and critically testing their underlying assumptions
		2.4	Ratio Analysis: <ul style="list-style-type: none"> - Profitability – understanding the importance of different measures of profitability - Liquidity – understanding how liquidity should be assessed - Working capital management – understanding the WC management of a business is pivotal to the candidates understanding of the expected patterns of cash flow - Capital structure – understanding the relationship between shareholders; capital and debt
		2.5	Understanding of the limitation of financial

Bank Lending

		2.6	<p>statements and candidates should have a good understanding of creative accounting as well.</p> <p>Analysis of the operating risks of the borrower including qualitative aspects such as:</p> <ul style="list-style-type: none"> - The owner(s): background, experience, other interests, related company(ies); - Management: roles, background, capability, depth and control; business strategies and policies; IT and human resources; business succession plan - Business and Industry: competition, SWOT analysis, relevant domestic, international, economic, political and social factors.
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B. Corporate Credit			
1.	Credit Assessment	1.1	A reasoned assessment of a lending proposition related to both locally and China to produce a recommendation or decision.
		1.2	Credit Scoring concepts/models/systems
2.	Terms for a Loan Facility	2.1	An appreciation of what security (if any) would be appropriate and setting the terms and conditions for a loan facility: pricing, repayment provisions, collateral security and other conditions or covenants
		2.2	SME Funding Schemes by the Hong Kong Government
		2.3	Collateral risk and valuation
3.	Understanding Business Needs	3.1	<p>An understanding of the requirements of different types of businesses, including:</p> <ul style="list-style-type: none"> - Import/export; Retailing; Wholesaling; Manufacturing; Building; - Professionals – e.g. doctors, dentists, solicitors, accountants. - New Economy: e-business or knowledge based industries.


Bank Lending


4.	Credit Administration and Dealing with Problem Loans	3.2 3.3 4.1	<ul style="list-style-type: none"> - Multinational Corporations, Local Corporations and Small & Medium Enterprises <p>Provide appropriate type of credits and in suitable size depending on the field of business, mode of operation and the available security.</p> <p>Appropriateness of banking facilities – re their amount, purpose, tenor and structure</p> <p>Monitoring to ensure that:</p> <ul style="list-style-type: none"> - business performance is in line with projections. - business is in compliance with regulations and bank/company policy. - loan being utilised for stated purpose. - Identifying problems with repayment and loan delinquency. Handling loan default. Identify symptoms of overtrading and misappropriation of credit limits. - Identifying early warning signs, remedial action and implications of winding up a business
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E. Essential Readings

 HKIB. Bank Lending (1st ed.). Wiley

F. Supplementary Readings

 Benton E. Gup. (2011). Banking and Financial Institutions: A Guide for Directors, Investors, and Borrowers. (1st ed.). Wiley.

 Giacomo De Laurentis, Renato Maino and Luca Molteni. (2010). Developing, Validating and Using Internal Ratings: Methodologies and Case Studies (1st ed.). Wiley.


 Nick Rouse. (2016). Applied Lending Techniques (3rd ed.). Global Professional Publishing.

G. Further Readings

 Carl Walter, Fraser J. T. Howie. (2012). Red Capitalism: The Fragile Financial Foundation of

Bank Lending

China's Extraordinary Rise (Revised ed.). John Wiley & Sons Inc.

-  Blaise Ganguin, John Bilardello. (2004). Standard and Poor's Fundamentals of Corporate Credit Analysis. McGraw-Hill.

Credit Management





Credit Risk Management

A. Module Objectives




This module contributes to the achievement of the knowledge and skills embedded in the Programme Intended Learning Outcomes by familiarizing candidates with the essential organisation of credit risk management and the capital adequacy framework for banking institutions today. With the subsequent coverage on credit risk and portfolio models, content of the module is designed to strengthen candidates' quantitative skills relevant in the credit risk management environment. Most importantly, candidates are expected to equip themselves with rounded skills to share their insights with internal management on any on-going issues related to credit risks.

B. Module Intended Learning Outcomes

Upon completion of this module, candidates should be able to:

-  evaluate critically the organisation of credit risk management;
-  review and communicate the current global capital requirements on credit risks;
-  consolidate the wide range of theories in credit portfolio modeling and evaluate their effectiveness in measuring credit risk;
-  review the risk factor of credit derivative products and evaluate the bank's capital allocation strategy under the Basel capital requirement

C. Assessment Method

-  Examination: FIVE Essay questions out of SEVEN
-  Passing mark for this module is 50%.
-  Time allowed: 3 hours.

Credit Risk Management

D. Syllabus

A. Organization of Credit Risk Management in Banks			
1.	Credit Risk Management in Banks	1.1	Principles of Risk Management and Internal Controls
		1.2	Capital Adequacy Framework
		1.3	Credit Asset Classification
			- Sovereign exposures
			- Bank exposures
			- Corporate exposures
			- Regulatory retail exposures
			- Residential mortgage loans
			- Others
			- Standardized vs Internal-ratings based Approaches
B. Capital Requirements on Credit Risk under Basel Accord			
1.	Standardized Approach	1.1	Risk weights on different asset types
2.	Internal-ratings-based (IRB) Approach	2.1	PD, LGD and EAD requirements ratings design and risk factors
		2.2	Validation of IRB models
		2.3	Use tests of an IRB System
		2.4	Measurement on power of risk differentiation
		2.5	Validation on accuracy of PD calibration
C. Credit Risk and Portfolio Models			
1.	Credit Risk Models	1.1	Regression models on default
		1.2	Binomial probability model of default
		1.3	Beta distribution for LGD and EAD
		1.4	PD inference from corporate bond yields
		1.5	PD inference from equity prices
		1.6	Rating migration and credit VaR
		1.7	Expected loss versus unexpected loss
		1.8	EAD for counterparty risk
2.	Credit Portfolio Models	2.1	Simulation Analysis
		2.2	Correlation of defaults
		2.3	Rating migration and credit portfolio risk
		2.4	Portfolio theory and credit risk diversification
		2.5	Actuarial models on default risk
		2.6	Single-factor model on default correlation

Credit Risk Management

		2.7	Stress credit loss and capital charge equations
		2.8	Stress testing credit risk portfolios

D. Credit Derivatives and Structured Credit Products			
1.	Types of Products	1.1	Credit default swaps
		1.2	Total return swaps
		1.3	Credit spreads forwards and options
		1.4	Credit-linked notes
		1.5	First-to-default baskets and nth-to default baskets
		1.6	Pricing of credit derivatives
		1.7	Collateral Debt Obligations
		1.8	Capital charge requirements on securitized credit products
		1.9	Limitations on CDS/CDOs as risk management tools

E. Essential Readings

✚ HKIB. Credit Risk Management (1st ed.). Wiley

F. Supplementary Readings

✚ Amalendu Ghosh. (2012). Managing Risks in Commercial and Retail Banking (1st ed.). Wiley.

✚ Jeffery R. Bohn & Roger M. Stein. (2009). Active Credit Portfolio Management in Practice. Wiley.

G. Further Readings

✚ Servigny, Arnaud de and Olivier Renault. (2004). Measuring and Managing Credit Risk. McGraw-Hill.

✚ Engelmann, Bernd and Robert Rauhmeier. (2011). The Basel II Risk Parameters (2nd ed.). Springer

Treasury Management





Bank Asset and Liability Management

A. Module Objectives




This module contributes to the achievement of the knowledge and skills embedded in the Programme Intended Learning Outcomes by setting a scene for candidates to extend critical thinking over the practical areas of asset-liability management. By making thorough application of their accounting and professional knowledge, candidates are expected to demonstrate the ability to consider external factors and risks when strategizing over a range of internal problem areas.

B. Module Intended Learning Outcomes

Upon completion of this module, candidates should be able to:

-  identify and critically evaluate how market factors impact the profitability of banks;
-  compare and select different approaches of bank asset and liability management from ALCO's perspectives and evaluate the appropriateness of particular strategies in fulfilling the bank's stated objectives;
-  demonstrate how market risks and liquidity risks overlap to exert pressure on banks' capital and identify strategic considerations in capital planning;
-  identify how interest rate risks threaten banks' financial stability and evaluate critically the effectiveness of technical strategies in providing immunization against such risks.

C. Assessment Method

-  Examination: FIVE Essay questions out of SEVEN
-  Passing mark for this module is 50%.
-  Time allowed: 3 hours.

Bank Asset and Liability Management

D. Syllabus

A. Asset and Liability Management			
1.	Managing Bank Profitability	1.1	Current banking structure and regulation; <ul style="list-style-type: none"> - Banking industry and bank organization - development post 2008 global financial crisis - Meeting regulatory capital requirements-Tier 1 and Tier 2 capital adequacy under Basel II & Basel III framework
		1.2	Examine bank’s financial statement <ul style="list-style-type: none"> - Components of interest and non-interest income and profit - Off-balance sheet items and non-financial information - Ratios for performance measurement
		1.3	Evaluation of bank’s profit <ul style="list-style-type: none"> - Sources of income and profit - Components of interest and non-interest revenues/expenses - Cost of capital - Basis of capital allocation
		1.4	Measuring Bank Profitability <ul style="list-style-type: none"> - Cost of funds and internal transfer pricing, return on equity(ROE), return on assets(ROA) and net interest margin (NIM), - Different approaches in balance sheet management - Accounting profit Vs economic profit (risk-adjusted return on capital RAROC)
2.	Asset and Liability Management Committee (ALCO)	2.1	The role and functions of Asset and Liability Management Committee (ALCO) in <ul style="list-style-type: none"> - Asset and liability management - Liquidity and funding risk management - Formulating capital planning policy
		2.2	ALCO plan development <ul style="list-style-type: none"> - Sustainable growth model that considers bank strategy, return target, capital, leverage (on and off balance sheet) and liquidity risk - Medium and long term asset and liability

Bank Asset and Liability Management

3.	Managing Bank Assets and Liabilities	2.3	management strategy ALCO pack <ul style="list-style-type: none"> - Objective of ALCO information reporting - Requirements of effective ALCO report – examples of ALCO pack
		3.1	Managing Bank Assets <ul style="list-style-type: none"> - The loan portfolio - The investment portfolio - Liquidity management - assets
		3.2	Managing Bank Liabilities <ul style="list-style-type: none"> - Source of funds - Deposit structure - Impact of interest rate changes on net interest spread - Liquidity management – liabilities

B. Managing Liquidity Risk and Interest Rate Risk			
1.	Capital and Liquidity Management	1.1	Definition and measures of liquidity risk; liquidity standards under Basel III <ul style="list-style-type: none"> - Liquidity Coverage ratio - Net Stable Funding ratio - BCBS principles for managing liquidity risk
		1.2	Determining the Bank’s funding need <ul style="list-style-type: none"> - Meeting legal reserve requirements - Loan and deposit trends forecast - Liquidity gap estimation - Liquidity planning
		1.3	Stress Testing <ul style="list-style-type: none"> - Formulating liquidity management strategies under normal and abnormal circumstances
2.	Managing Interest Rate Risk	2.1	Types of interest rate risk
		2.2	Interest rate Gap analysis
		2.3	Duration analysis <ul style="list-style-type: none"> - Practical applications of duration gap
		2.4	Basis Point Value (BPV)
		2.5	Hedging interest rate risk
		2.6	Immunization and hedging interest rate risk
		2.7	Securitization

Bank Asset and Liability Management

3.	Asset and Liability Management Strategies in Changing Market Conditions	2.8	Net Interest Income sensitivity analysis
		3.1	Lessons from the 2008 global financial crisis
		3.2	From stress testing to contingency plan execution
		3.3	ALM strategy and interest rate cycle

Bank Asset and Liability Management**E. Essential Readings**

- + HKIB. (2018). Bank Asset and Liability Management (1st ed.). Wiley
- + Koch & MacDonald, S. (2015). Bank Management (8th ed.). Scott Cengage Learning.

F. Supplementary Readings

- + Moorad Choudhry. (2009). The Principles of Banking (1st ed.). South-Western Pub.
- + Moorad Choudhry. (2011). An Introduction to Banking: Liquidity Risk and Asset-liability Management (1st ed.). Wiley.
- + Jean Dermine & Youssef F. Bissada. (2007). Asset and Liability Management, The Banker's Guide to Value Creation and Risk Control (8th ed.). Prentice Hall.

G. Further Readings

- + Moorad Choudhry. (2010). The Future of Finance: A New Model for Banking and Investment (1st ed.). Wiley.
- + Joseph F. Sinkey. (2002). Commercial Bank Financial Management (6th ed.). Prentice Hall
- + Saunders and Cornett. (2010). Financial Institutions Management: A Risk Management Approach (7th ed.). McGraw-Hill (SC).

Treasury Management

Treasury Markets and Operations

A. Module Objectives

This module contributes to the achievement of the knowledge and skills embedded in the Programme Intended Learning Outcomes by providing candidates an essential blend of professional and practical learning opportunity on the technical treasury operations. Candidates would consolidate the previous knowledge and extend critical applications of accounting and financial knowledge in the sophisticated areas of treasury functions. Through participations and discussions, candidates would manifest tactic skills and exercise careful considerations on how and when to use what tools available for which markets.

B. Module Intended Learning Outcomes

Upon completion of this module, candidates should be able to:

- ✚ undertake critical analysis on the roles and functions of treasury operations in banks and demonstrate how the operations provide check-and-balance internal controls;
- ✚ deal with the day-to-day management of a wide range of treasury activities by market segments to fulfill the asset and liability management objectives of the bank;
- ✚ identify the types and assess the magnitude of risks and decide on the deployment of resources and tools to implement effective risk measures and control;
- ✚ conduct research on market practices and operation procedures to evaluate the effectiveness of risk control.

C. Assessment Method

- ✚ Examination: Part I – Practical Operation: TWO Essay questions out of THREE
Part II – Calculations and Knowledge: TWO Essay question out of THREE
- ✚ Passing mark for this module is 50%.
- ✚ Time allowed: 3 hours.

Treasury Markets and Operations

D. Syllabus

A. Treasury Management			
1.	Treasury Management of Financial Institutions	1.1	Role of Treasury's functions: <ul style="list-style-type: none"> - Balance sheet management - Liquidity risk management - Interest rate risk and foreign exchange exposure management - Management of settlement / pre-settlement credit risk
		1.2	Internal control as a protection against overexposures, errors and frauds: <ul style="list-style-type: none"> - Organization structure and segregation of duties - Position limits and VaR limits for dealers - Monitoring and control of the dealing operation - Internal audit functions - Compliance issues - Ethical issues - The Code of Conduct & Practice of TMA
B. Foreign Exchange, Money Market & Derivatives			
1.	Foreign Exchange Market	1.1	Spot market: spot rate, value date, direct and indirect quotations, reciprocal rate. One-way and two-way quotations, and cross rate.
2.	Money and Capital Markets	2.1	The Hong Kong Dollar market: <ul style="list-style-type: none"> - Market structure and participants - the Linked Exchange Rate system and Exchange Fund operation - Interbank placement and money rate (HIBOR) fixing mechanism - HKMA discount window, repo between CMU member banks of USD CHATS, repo of Exchange Fund Bills and notes for intraday overdraft - Certificate of Deposit, RMB corporate bond HKD Government Bond issuance program
		2.2	International market: <ul style="list-style-type: none"> - Eurodollar bond, Eurozone bond, floating

Treasury Markets and Operations

3.	Derivatives	2.3	<p>rate note, government securities</p> <ul style="list-style-type: none"> - Eurodollar Interbank Money rate (LIBOR) fixing mechanism - Central bank bond repurchase programs and implication on market liquidity <p>Credit:</p> <ul style="list-style-type: none"> - Managing credit spread risk and default risk. - Credit rating and role of credit rating agencies <p>Bond market</p> <ul style="list-style-type: none"> - Yield curve and interest rate risk management - Bond issuance for long term funding and capital management (MTN, Cocos eg. contingent convertible bond) <p>Offshore RMB money and capital market development</p> <ul style="list-style-type: none"> - benchmark yield curve - CNH–HIBOR fixing - Shanghai FTZ and Qianhai SEZ
		3.1	<p>Derivatives for hedging</p> <ul style="list-style-type: none"> - Interest rate swap and currency swap, forward rate agreement, non-deliverable forward (NDF), options, financial futures - credit derivatives: credit default swaps (CDS) - other aspects: options pricing modeling, dealing convention (ISDA documentation), accounting principles and valuation, hedging techniques, risk consideration (distinguish hedging and speculation)

C. Treasury Operation			
1.	Treasury Operations	1.1	<p>Operations in front office</p> <ul style="list-style-type: none"> - interbank trading, proprietary trading,

Treasury Markets and Operations

		1.2	<p>corporate treasury</p> <p>Operations in middle office</p> <ul style="list-style-type: none"> - Treasury accounting (International Financial Reporting Standard 9), risk management, regulatory compliance, internal audit
		1.3	<p>Operations in back office</p> <ul style="list-style-type: none"> - cash management, payment and settlement processing - trades / position/ cash account reconciliation - operations process control – access right, setting levels of authorization, amendments and cancellation
		1.4	<p>Treasury Markets Association Code of Conduct and Practice</p> <ul style="list-style-type: none"> - General Standards - General Controls - Dealing Principles - Risk Management Principles - Back-Office Practices - Market Specific Dealing Practices and Conventions
2.	Market Risk Measures	2.1	<p>Risk consideration and control: country risk, counter-party risk, market risk, operations risk and settlement credit risk.</p>
		2.2	<p>Mark to market, calculation of VaR (Value at Risk), tools to manage financial risk, monitoring and compliance.</p> <ul style="list-style-type: none"> - exposures limit considerations, assessment and review process
3.	Payment and settlement systems Risk Management	3.1	<p>Payment and Settlement systems</p> <ul style="list-style-type: none"> - RTGS clearing and settlement system – major currencies and RMB, linkage of CHATS to international settlement systems including securities clearing and custody(EuroClear), - cross border collateral management
		3.2	<p>OTC Derivatives counterparty risk management</p> <ul style="list-style-type: none"> - Standardized OTC derivative transactions

Treasury Markets and Operations

			<ul style="list-style-type: none"> ■ cleared through Central Counterparties (CCPs), ■ traded on exchanges or electronic trading platforms - Non-centrally cleared OTC derivative transactions ■ Credit Valuation Adjustment (CVA)
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D. Case Studies			
1.	Case Studies	1.1	Risk Management & Control illustration: <ul style="list-style-type: none"> - operations risk on segregation of duties - settlement risk - Illiquidity risk
		1.2	Case studies on treasury fraud and/or control flaws

E. Essential Readings

- ✚ HKIB. (2014). Treasury Markets and Operations (1st ed.). Wiley
- ✚ Moorad Choudhry. (2007). Bank Asset and Liability Management – Strategy, Trading, Analysis. Wiley.

F. Supplementary Readings

- ✚ Andrew M. Chisholm. (2009). An Introduction to International Capital Markets: Products, Strategies, Participants (2nd ed.). Wiley.
- ✚ Heinz Rieh. (1999). Managing Risk in Foreign Exchange, Money and Derivative Markets. McGraw Hill.

G. Further Readings

- ✚ Bruce Tuckman and Angel Serrat. (2011). Fixed Income Securities: Tools for Today's Markets (3rd ed.). Wiley.
- ✚ John C. Hull. (2014). Options, Futures and Other Derivatives (9th ed.). Prentice Hall
- ✚ Joseph F. Sinkey. (2002). Commercial Bank Financial Management (6th ed.). Prentice Hall
- ✚ Simon Benninga. (2014). Financial Modeling (4th ed.). MIT.
- ✚ Steiner Robert. (2012). Mastering Financial Calculations: A Step-By-Step Guide to the

Treasury Markets and Operations

mathematics of Financial Market Instruments. Pearson.

Operation Management

Banking Law and Practice

A. *Module Objectives*

This module contributes to the achievement of acquiring an advanced level of knowledge and skills embedded in the Programme Intended Learning Outcomes by helping candidates develop a multi-perspective evaluation over bankers' rights and duties not only in banker-customer relationship, but also in internal areas of banking operations that support bankers' external functions. By discussing account conducts and the respective strategies of management, candidates are expected to enhance their cognitive skills of evaluation over the internal and external problems. Such competence and attribute would be strengthened by a thorough application of legal knowledge to different levels of banking operations.

B. *Module Intended Learning Outcomes*

On completion of this module, candidates should be able to:

- ✚ critically assess the implications of the current law and practice governing banker's roles in banker-customer contractual and non-contractual relationships;
- ✚ analyze critically the bank's duty in different types of accounts and account conduct in banking operations under the framework of banker-customer relationship;
- ✚ evaluate critically the law related to security which commonly accepted by the banks;
- ✚ communicate and assess the consequences of undertaking bankruptcy proceedings to the bank and customer in relation to bank's bad debt collection procedures.

C. *Assessment Method*

- ✚ Examination: Part I – Case Study question

Part II – THREE Essay questions out of FIVE

- ✚ Passing mark for this module is 50%.

- ✚ Time allowed: 3 hours.

Banking Law and Practice

D. Syllabus

A. Banker-Customer Relationship and Account Opening			
1.	Contractual Relationship under Code of Banking Practice	1.1	Special relationship involved in <ul style="list-style-type: none"> - Mandates - Powers of Attorney (including Enduring Power of Attorney) - Limitation of actions - Appropriation of payments - Set-off - Bankers' lien
		1.2	Banker's Duty of Secrecy (including bankers' opinions/trade enquiries)
		1.3	Code of Banking Practice
		1.4	Code of Practice on Consumer Credit Data and Personal Data Privacy Ordinance
		1.5	Statement of account or passbook
		1.6	Wrongful dishonour of cheques
		1.7	Exemption Clauses
2.	The Opening and the Conduct of Accounts	2.1	The opening and the conduct of accounts in credit and debit for various customers: <ul style="list-style-type: none"> - Personal customers - Joint customers - Minors - Executors, administrators and trustees - Proprietors and partnerships - Unincorporated clubs, societies and solicitors - Incorporated companies (including overseas companies, nominee holding companies)
		2.2	Anti-money laundering and terrorist financing

B. Banking Operations			
1.	Bills of Exchange and Other Banking Operations	1.1	Types of negotiable and quasi negotiable instruments
		1.2	Bills of Exchange <ul style="list-style-type: none"> - Definition of a bill of exchange - Parties, elements in a bill of exchange - Dating, acceptance, negotiation of a bill - Indorsement, holder for value, holder in

Banking Law and Practice

			<p>due course, forged or unauthorized Signature</p> <ul style="list-style-type: none"> - Delivery, duties of holder, discharge of a bill - Bills of Exchange relating to collecting bankers and paying bankers
		1.3	<p>Promissory Notes</p> <ul style="list-style-type: none"> - Definition of a promissory note - Differences between promissory notes and bills of exchange - Liabilities of parties
		1.4	<p>Other Banking Operations</p> <ul style="list-style-type: none"> - Credit cards - Direct debits (e.g. ATM, EPS, Standing orders) - Investment advice - Safe custody - Ancillary financial services (e.g. Hirepurchase, Factoring, Leasing) - Internet and phone banking

C. Law related to Security			
1.	Guarantee	1.1	Guarantees and indemnities distinguished
		1.2	Types of guarantee and formal requirements
		1.3	Liability of guarantor, guarantor's rights against the creditor and guarantor's rights against the debtor
		1.4	Rights of co-guarantors among themselves and discharge of the guarantor
2.	Mortgage of Land	2.1	Definition and creation of mortgage
		2.2	Legal and equitable mortgage
		2.3	Mortgagee's powers and remedies
		2.4	Mortgagor's rights
3.	Other Security Interests	3.1	Company Charges: Definition and creation of charge, fixed and floating charges, chargee's powers and remedies, chargor's rights.
		3.2	Pledge: Definition and creation of pledge, pledgee's powers and remedies, ledgor's rights.
		3.3	Hypothecation: Hypothecation and pledge.
		3.4	Company Shares: Mortgages of company

Banking Law and Practice

		3.5	shares, powers and remedies of mortgagees. Insurance Policies: Creation of security interest in different types of insurance policies
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D. Insolvency			
1.	Bankruptcy	1.1	Main functions of bankruptcy proceedings. Who may be made bankrupt? Who may present a bankruptcy petition?
		1.2	Grounds for commencement of a bankruptcy proceeding.
		1.3	The statutory demand.
		1.4	New concepts in bankruptcy: transactions at an undervalue, unfair preferences, extortionate credit transactions. Bankruptcy proceedings.
		1.5	Consequences of bankruptcy. Proof of debts. Setting off before proof. Property available for payment of debts.
		1.6	Trustees in bankruptcy.
		1.7	Discharge from bankruptcy.
		1.8	Voluntary arrangements
2.	Winding-up	2.1	Modes of winding up. Winding up by the court: jurisdiction, cases in which a company may be wound up by court, petition for winding up and effects thereof; commencement of winding up, consequences of a winding-up order, official receiver in winding up, liquidators, committee of inspection, general powers of court in case of winding up by court.
		2.2	Winding up by court by way of summary procedure.
		2.3	Winding up with a regulating order.
		2.4	Winding up of unregistered companies
		2.5	Assets of the company available for distribution: contributories, collection of the company's assets, onerous property.
		2.6	Voluntary winding up: resolutions for and commencement of voluntary winding up, consequences of voluntary winding up, declaration of solvency, members' voluntary

Banking Law and Practice

		2.7	winding up, creditors' voluntary winding up, powers and duties of the liquidator in a voluntary winding up, special procedure for voluntary winding up. Proof and ranking of claims, effects of winding upon antecedent and other transactions, dissolution of a company, offences before and in the course of winding up.
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E. Essential Readings

- ✚ HKIB. Banking Law and Practice (1st ed.). John Wiley & Sons

F. Supplementary Readings

- ✚ Claire Wilson. (2016). Banking Law and Practice in Hong Kong (1st ed.). Sweet & Maxwell.
- ✚ Derek Roebuck, DK Srivastava, HM Zafrullah and Sara Tsui. (2009). Banking Law in Hong Kong: Cases and Materials (2nd ed.). Lexis Nexis.
- ✚ Mark Hsiao. (2013). Principles of Hong Kong Banking Law (1st ed.). Sweet & Maxwell.

G. Further Readings

- ✚ Chan Bo-ching Simon. (2000 & 2001). Hong Kong Banking Law and Practice. (Vol. 1 & 2). HKIB.
- ✚ Douglas Arner, Berry Hsu, Say H. Goo, Syren Johnstone, Paul Lejot and Maurice Kwok-Sang Tse. (2016). Financial Markets in Hong Kong: Law and Practice (2nd ed.). Oxford University Press.
- ✚ Hans Mahncke, Michael Ramsden, Luke Marsh and Sidney Yankson. (2014). The Hong Kong Anti-Money Laundering Ordinances Commentary and Annotations (Collected Volume) (1st ed.). Sweet & Maxwell.
- ✚ Stephen SK Chan. (2012). Butterworths Hong Kong Banking Law Handbook (3rd ed.). Lexis Nexis.

Operation Management




Operational Risk Management

A. Module Objectives




This module contributes to the achievement of the knowledge and skills embedded in the Programme Intended Learning Outcomes by integrating theory and real-life experience on a wide range of topics related to operational risk management. By utilizing tools and resources available, candidates would have an opportunity to develop research skills to map the latest market standard with internal operation. Such skills are crucial for shaping up the internal operations of an organization to meet external challenges, and they would enhance candidates' competence to develop investigative strategies which are vital for both individual and organizational development.

B. Module Intended Learning Outcomes

On completion of this module, candidates should be able to:

-  critically evaluate the performance of a wide range of operational functions related to product, services and process operations in the perspectives of operational risk management;
-  exercise judgment in day-to-day management work activities to distinguish the nature of risk in operations functions and operational functions issues to formulate risk management solutions in compliance with regulatory requirement;
-  propose justified solutions and recommendations on operational functions enhancement based on analysis and synthesis of relevant information.

C. Assessment Method

-  Examination: Essay Questions
-  Passing mark for this module is 50%.
-  Time allowed: 3 hours.

Operational Risk Management

D. Syllabus

A. Operational Risk in Banking Industry			
1.	Overview and definition of Operational Risk	1.1	Introduction <ul style="list-style-type: none"> - What is operational risk? - Operational risk in financial institutions - Operational risk causal factors - Operational risk categories
		1.2	Important operational risk events <ul style="list-style-type: none"> - Grouped losses vs single events - Linked events - Legal events - Tax events
		1.3	Distinguished from other types of risk <ul style="list-style-type: none"> - Risk positions - quantification and exposure measure - Portfolio completeness - Data frequency - Modeling
		1.4	Distinguished from operation risk <ul style="list-style-type: none"> - Back office operations - Enterprise wide operation issue
		1.5	Boundary of operation risk <ul style="list-style-type: none"> - Credit risk - Market risk - Interest rate risk - Liquidity risk - Legal risk - Reputation risk - Strategic risk
		1.6	Drivers of operational risk management <ul style="list-style-type: none"> - Back office operations - Strategy, appetite and policy - Reassure from regulators - Increasing merger and acquisition activity - Integration of best risk practices - Risk aggregation - New product and service examination - Performance and resources allocation measurement
		1.7	Related disciplines <ul style="list-style-type: none"> - Financial risk management - Audit and internal controls

Operational Risk Management

2.	Operational risk management framework	2.1	<ul style="list-style-type: none"> - Reliability engineering <p>What are operational risk management frameworks</p> <ul style="list-style-type: none"> - Corporate structure - Operational risk management process - Components in operational risk management framework
3.	Case studies	3.1	<p>Cases on different types of operational risks</p> <ul style="list-style-type: none"> - Fraud, Compliance, Systems, Reputation, Escalation, Monetary and Non-monetary losses - People - Process - System - External events

B. Process of Operational Risk Management			
1.	Methodologies and tools	1.1	<p>Building ORM process – Defining scope and objectives</p> <ul style="list-style-type: none"> - Measurement - RCSA - KRI verification and setting up - ILD building
		1.2	<p>Managing operational risk</p> <ul style="list-style-type: none"> - Risk identification and Assessment – Basel Committee on Banking Supervision (BCBS) principles for sound management of operational risk Principle 6, 7 - Monitoring and Reporting – BCBS principles for sound management of operational risk Principle 8 - Control and Mitigation – BCBS principles for sound management of operational risk Principle 9 - Contingency and escalation - Business Resilience and Continuity – BCBS-principles for sound management of operational risk Principle 10
2.	Risk identification	2.1	Introduction

Operational Risk Management

			<ul style="list-style-type: none"> - Define unit of measure - RCSA (Risk and Control Self Assessment) - KRI (Key Risk Indicators) - ILD (Incident and Loss Event Database) - Use of external loss data - Implementation - Practical issues in applications
	<p>3. Risk measurement and assessment</p>	2.2	<p>Risk and Control Self-Assessment</p> <ul style="list-style-type: none"> - Implementation - Practical issues in applications
		2.3	<p>Risk categorization</p> <ul style="list-style-type: none"> - Business line mapping - Categorization of incidents and loss events - Implementation - Practical issues in applications
	<p>4. Risk control and mitigation</p>	3.1	<p>Impact and probability</p> <ul style="list-style-type: none"> - Categorization of frequency and severity - Aggregated loss distribution from frequency and severity distributions - Expected loss and unexpected loss - Inference of operational risk capital using value at risk methodology - Background for Basel operational risk capital calculation methodology
		4.1	<p>Risk response</p> <ul style="list-style-type: none"> - Options and actions to reduce the likelihood or consequences of risk impact - Actions taken to mitigate the risk - Responsibilities assignment
		4.2	<p>Incident management and loss data</p> <ul style="list-style-type: none"> - Incident management processes - Loss prediction - Loss prevention - Loss control - Loss reduction
		4.3	<p>Insurance</p> <ul style="list-style-type: none"> - Operational risk insurance products - Financial institutions operational risk insurance's coverage - Limitation of insurance

Operational Risk Management

5.	Risk reporting	4.4	<ul style="list-style-type: none"> - Alternatives to insurance <p>Internal control</p> <ul style="list-style-type: none"> - Definition - Components of internal control - Internal control objectives - Internal control activities
		4.5	<p>Key risk exposure control and mitigation</p> <ul style="list-style-type: none"> - Risk assumption - Risk avoidance - Risk limitation - Risk planning - Research and acknowledgement - Risk transference
		4.6	<p>Contingency plan</p> <ul style="list-style-type: none"> - Reliability - Availability - Plan maintainability
		5.1	<p>Introduction</p> <ul style="list-style-type: none"> - Steps to generate reports - Incident reports - Risk reports - Risk action reports - Risk summary reports
		5.2	<p>Heat map or operational risk profile business process mapping</p> <ul style="list-style-type: none"> - Business value - Performance - Maturity - Interconnectedness - Compliance and Governance - Processes
		5.3	<p>Key risk indicators (Preventive / BAU data)</p> <ul style="list-style-type: none"> - Definition - Role and purpose - Selecting risk indicators - Thresholds, limits and escalation triggers
		5.4	<p>Incidents and operational risk loss data reporting</p> <ul style="list-style-type: none"> - Embedding - Under & over reporting - Thematic review - Timeliness

Operational Risk Management

6.	Other related techniques	5.5	<ul style="list-style-type: none"> - Lessons Learned - Confidence Escalation (e.g. report to management, regulators) <ul style="list-style-type: none"> - Escalations triggers - Resources overhead - Procedures
		6.1	Scenario analysis (AMA in context) <ul style="list-style-type: none"> - Historical vs hypothetical events - Probabilities and frequencies of occurrence of the event - Business activities - Maximum internal and external loss - Possible mitigation techniques - Methodology
		6.2	Stress testing <ul style="list-style-type: none"> - Extreme event - Limitation of stress testing
		6.3	Operational risk models <ul style="list-style-type: none"> - Top-down vs bottom-up models - Casual vs statistical models - Selection of risk models
		6.4	Application of tools <ul style="list-style-type: none"> - Identifying and generating metrics - Parameterizing, prioritizing and developing mitigations - Tracking risks - Example

C: Regulatory Framework and Governance Structure			
1.	Regulatory requirements	1.1	Basel II Capital Accord on Operational Risk (BCBS 128) <ul style="list-style-type: none"> - Business line mapping
		1.2	Basel Committee’s Sound Practices for the Management of Operational Risk
		1.3	HKMA SPM OR-1 and Banking Capital Rules Basel III


Operational Risk Management

2.	Risk governance	2.1	Structure <ul style="list-style-type: none"> - BCBS-principles for sound management of operational risk Principles 1, 2, 3, 4 - HKMA-elements for a sound risk management system - Corporate governance
		2.2	Roles and responsibilities of different parties (e.g. committee) <ul style="list-style-type: none"> - Use of specialized committee - Role of internal control, compliance, risk management and internal audit
		2.3	Relationship between RCSA, KRI and Operational Risk Events <ul style="list-style-type: none"> - Interaction and how they work together - Action Plan and Reporting - Example

E. Essential Readings

 HKIB. Operational Risk Management (1st ed.). Wiley.

F. Supplementary Readings

 Abkowitz, Mark David. (2008). Operational Risk Management: A Case Study Approach to Effective Planning and Response. John Wiley & Sons.

 Carol Alexander. (2003). Operational Risk: Regulation, Analysis and Management. Prentice Hall.

Case Study Examination

Case Study Examination

A. Prerequisites

+ Completion of the two specialist modules in the selected stream

B. Objectives

The objective of the postgraduate diploma programme is to equip candidates with comprehensive conceptual and practical knowledge in a specialized area of banking and develop candidates with research skills to adopt an analytical approach in developing strategies to tackle different scenarios that may arise in real-life situation. Therefore, the Case Study Examination is to test whether a candidate can consolidate and evaluate the wide range of complex concepts, models and specialized skills in a discipline and apply them in real-life scenarios.

C. Highlight

The Case Study Examination consists of two parts: Individual Written Report and On-Site Examination.

Candidates will receive the "Examination case: Pre-seen examination information" document 6 weeks prior to the examination. To produce the Individual Written Report, candidates are required to critically analyse the scenario depicted in the case(s), conduct research to gather relevant information and extend cross-discipline knowledge acquired in the two specialist modules to the case(s). During the On-Site Examination, the examination questions, extended case scenarios and additional information about the pre-seen examination case will be provided. Candidates have to carefully study the case information to identify the problems and make the analysis based on the study material and case facts.

D. Assessment Method

Individual Written Report (40%)

+ Passing mark: 50%

On-Site Examination (60%)

+ Passing mark: 50%

+ Time allowed: 3 hours.

+ Format: Open book examination.

Candidates must submit an Individual Written Report, attend the On-Site Examination and pass both assessments.

6. Programme Enrolment

A. Programme Schedule

For the latest information on the programme enrolment period and programme schedule, please contact the HKIB staff or refer to the HKIB website at <http://www.hkib.org>.

B. Training Duration


	Advanced Diploma for Certified Banker	Professional Diploma for Certified Banker	Postgraduate Diploma for Certified Banker
Training Programme Mode	Lecture		
Training Duration	9 hours ⁸	15 hours	30 hours

C. Learning Effort

Candidates are advised to spend for each module:

- i) Advanced Diploma: 100 notional learning hours⁹; OR
200 notional learning hours (for ECF on AML/CFT only)
- ii) Professional Diploma: 300 notional learning hours
- iii) Postgraduate Diploma: 300 notional learning hours

D. Programme Application

 Applicants can obtain the application form: (i) from the HKIB website; or (ii) in person from the counter of HKIB Office during office hours

⁸ For the elective module *ECF on AML/CFT (Core Level)*, learners can select 6 or 15 training hours based on their needs. For more details, please refer to the AML Certificates Handbook.

⁹ Notional learning time refers to the amount of time an average learner is expected to take to complete all learning pertaining to the module / programme, and achieve the learning outcomes of the module / programme. It includes time spent on all learning modes and activities, such as lectures, laboratories, workshops, guided learning, self-study, projects, assignments and assessments. Notional learning time is expressed in notional learning hours, and includes contact hours, self-study hours and assessment hours.

- ✚ The information provided on the application form must be true and clear. Completed application forms can be returned by fax or email, by hand or by registered mail (to avoid being lost in transit) on or before the corresponding enrolment deadline. Attention should be paid to the application deadline. Postal applicants are reminded to allow sufficient time for mailing or a late entry fee will be charged.
- ✚ Inaccurate or incomplete applications may not be accepted even if the applicant has paid the programme fee.
- ✚ HKIB reserves the right to reject late applications and/ or any applications deemed inappropriate. Once HKIB has received the application form, NO alterations to the programme arrangement will be allowed.
- ✚ HKIB reserves the right to change the programme dates and the enrolment deadlines at any time.
- ✚ Applicants are advised to retain a copy of the completed application form for their own records.

E. Programme Fee and Payment

- ✚ Applicants should pay the programme fee:
 - By cheque (post-dated cheques will not be accepted), attached to the application form. Cheques/E-cheques should be made payable to "The Hong Kong Institute of Bankers"; OR
 - By credit card payment.
- ✚ Application forms without payment instructions will NOT be processed.
- ✚ All payments must be settled before the start of the programme. NO fees will be refunded or transferred under any circumstances.
- ✚ Applicants are advised to keep a record of their payment.
- ✚ Confirmation of programme enrolment will be sent to candidates via email within seven days prior to the programme date.
- ✚ Late entries: Late entries will be accepted up to 7 days after the stipulated application deadlines. A late entry fee of HK\$200 (in addition to the module entry fee) will apply.
- ✚ HKIB reserves the right to adjust the programme application, study guide and/ or administration surcharge fees (if applicable), at any time.

7. Examination Enrolment and Regulations

A. Examination Format

Module	Examination Question Format	Duration	Passing Mark
Advanced Diploma Modules	Multiple Choice Questions	1.5 hours	70%
Professional Diploma Modules	Multiple Choice Questions Essay Questions / Case Study	3 hours	60%
Postgraduate Diploma Modules	Essay Questions	3 hours	50%
Case Study Examination	Case study examination Individual Written Report Case Study Questions	6 weeks 3 hours	50%

To attain the Postgraduate Diploma in a specialist stream, candidates are required to obtain a pass in the Case Study Examination of the respective stream upon completion of TWO Postgraduate Diploma modules in the same stream.

B. Grading

	Advanced Diploma Modules	Professional Diploma Modules	Postgraduate Diploma Modules / Case Study Examination
Pass with Distinction	Above 90%	Above 85%	Above 80%
Pass with Credit	80-90%	75-85%	65-80%
Pass	70-79%	60-74%	50-64%
Fail A	60-69%	56-59%	46-49%
Fail B	50-59%	46-55%	36-45%
Fail C	Below 50%	Below 46%	Below 36%

C. Examination Timetable

For the latest information about the examination enrolment period and examination dates, please contact HKIB staff or refer to the HKIB website at <http://www.hkib.org>.

D. Examination Enrolment

- ✚ Candidates must have completed the training class before taking the examination.
- ✚ Applicants can obtain the application form: (i) from HKIB website; or (ii) in person from the counter of HKIB Office during office hours.
- ✚ The information provided on the application form must be true and clear. Applicants should submit the completed and signed application form, together with the appropriate examination fee, to HKIB Head Office on or before the corresponding application deadline.
- ✚ Application forms can be returned by fax or email, by hand or by registered mail (to avoid being lost in transit). Attention should be paid to the application deadline. Postal applicants are reminded to allow sufficient time for mailing or a late entry fee will be charged.
- ✚ Late entries will be accepted up to 14 days after the stipulated application deadlines. A late entry fee of HK\$200 (in addition to the module entry fee) will apply.
- ✚ Inaccurate or incomplete enrolment applications may not be accepted even if the applicant has paid the examination fee.
- ✚ HKIB reserves the right to reject late applications and/ or any applications deemed inappropriate. Once HKIB has received the application form, NO alterations to the examinations and examination arrangements will be allowed.
- ✚ HKIB reserves the right to change the examination dates and the application deadlines at any time.
- ✚ Applicants are advised to retain a copy of the completed application form for their own records.

E. Examination Fee and Payment

- ✚ Applicants should pay the examination fee:
 - ✚ By cheque (post-dated cheques will not be accepted), attached to the enrolment form. Cheques should be made payable to "The Hong Kong Institute of Bankers". Please put your full name and contact phone number on the back of the cheque; OR
 - ✚ By credit card. Please provide credit card information in the application form.
- ✚ Application forms without payment instruction will NOT be processed.
- ✚ All payments must be settled before the examination. NO fees will be refunded or transferred under any circumstances.
- ✚ Applicants are advised to keep a record of their payment.

- ✚ Acknowledgement of the examination enrolment will be sent to candidates via email within seven working days of receipt of the application form. Candidates who fail to receive an acknowledgement within this time should inform the Institute immediately.
- ✚ HKIB reserves the right to adjust the examination, study guide and/ or administration surcharge fees (if applicable), at any time.

F. Examination Attendance Notice

- ✚ Examination Attendance Notices (Attendance Notices) will be sent to candidates via email ONLY about two weeks before the examination. Candidates are obligated to inform the Institute if they have not received the Attendance Notice one week before the examination.
- ✚ Candidates are required to print a copy of the Attendance Notice on a sheet of plain A4 paper before attending each examination.
- ✚ Candidates MUST produce their Attendance Notice at the examination, along with a valid identification document (e.g. an HK Identity Card or Passport), which bears their current photograph.

F. Alteration / Transfer of Enrolment for the Examination

- ✚ HKIB reserves the right to cancel, postpone and/or reschedule the examinations.
- ✚ If an examination is rescheduled, HKIB will notify candidates of the new examination's date and time by email within one week of the originally scheduled examination date. Under such circumstances, candidates are not required to re-register for the examination.
- ✚ Under no circumstances will any changes to or transfers of examination enrolment be allowed.

G. Examination Arrangements for Candidates with Special Needs

- ✚ Candidates with special needs may request special examination arrangements. In these circumstances, they will be required to submit documentary evidence, such as medical proof issued by a registered medical practitioner, together with a written request, when applying for the examination.
- ✚ Any request for such arrangements may result in an additional charge.

H. Examination Preparation

- ✚ Candidates who have enrolled in the examination are required to study all the essential, recommended and further reading materials, if applicable, as part of their examination preparation.

I. Examination Results

- ✚ Candidates will receive their results slip by post within 2-4 weeks from the examination date.
- ✚ Results will not be revealed by telephone, fax or email.
- ✚ Candidates may check their examination results online through the HKIB online platform. Candidates will receive email notification once the examination results are available. The online examination results will be removed one month after they are released.
- ✚ Results will be withheld from candidates who have not paid in full any monies due or payable to the Institute, including but not limited to examination enrolment fees.

J. Examination Results Review

- ✚ Candidates may request rechecking or remarking of their examination scripts within one month after the issue of examination results, by submitting a written request. An administrative fee may apply. Please contact HKIB staff for details.
- ✚ Rechecking is applicable to all examinations. Answer sheets are rechecked for technical errors such as incorrect mark entries.
- ✚ Remarking is only applicable to the case study examinations and examinations that involve essay questions. Remarking is not applicable to MC questions. The answer scripts will first be checked for technical errors. Each script will then be remarked by an independent remarker. If the mark given by the remarker differs from the original mark and leads to an upgrade of result, the script will be remarked by a second remarker. Remarking is conducted by persons other than the original markers. The final mark of the examination is calculated by averaging out all valid marks given by the original markers and the remarker(s).
- ✚ Regardless of the results of rechecking, candidates cannot apply for remarking of a module for which they have applied for rechecking.

- ✚ HKIB charges an administration fee of HK\$500 per module for rechecking and HK\$4000 per module for remarking. All payments are non-transferrable and non-refundable. However, if the rechecking or remarking leads to an upgrade of result, the fee will be refunded to the candidate concerned.
- ✚ After the answer scripts are rechecked or remarked, the results will be passed to Examination Team Head for review and approval. The decision of Examination Team Head is final.
- ✚ Candidates will be informed of their rechecking or remarking results by post and only with written notice within TWO MONTHS after receipt of the request.
- ✚ Candidates will not be given a copy of their marked answer scripts.

K. General Examination Regulations

An examination is governed by the regulations in force at the time of the examination and not by the regulations in force at the time of enrolment, in case of any discrepancies between the two sets of regulations.

On all matters concerning the interpretation of the regulations, the Professional Standard and Examination Board of the Institute has the final discretion.

- ✚ The examinations are conducted in English.
- ✚ For all multiple choice questions, candidates must use HB/2B pencil to answer the questions on the Answer Sheets.
- ✚ For essay questions and the case study questions in Case Study Examination, questions must be answered in English.
- ✚ The Individual Written Report of the Case Study Examination must be submitted in English.
- ✚ The examinations will be conducted and invigilated by responsible persons appointed by the Institute.
- ✚ Candidates should arrive at the examination venue at least 15 minutes before the start of the examination. Candidates must not enter the examination room until instructed to do so.
- ✚ Candidates are not allowed to sit for the examination if they are unable to produce the Attendance Notice / valid identification document, or the identification document does not contain a clear and current photograph of the candidate.

- ✚ All examinations will begin at the time stated on the Attendance Notice. Latecomers may be admitted during the first 30 minutes of the examination, but extra time will not be given to compensate for any time lost.
- ✚ Smoking, eating and drinking are not allowed in the examination room. All mobile phones and other electronic devices including smart watches must be switched off.
- ✚ All bags, books and other personal belongings must be placed in a location advised by the invigilator, before the examination begins.
- ✚ If you need to go to the toilet during the examination, you should seek permission from an invigilator. An invigilator will accompany you and you must NOT carry any mobile phones, other electronic devices, question books, answer sheets or paper to the toilet.
- ✚ Candidates must use only silent and non-programmable calculators. Invigilators have the right to prohibit candidates from using any unauthorized calculators. No other aids, such as books, dictionaries, computers (e.g. notebooks, PC tablets), and papers, are permitted in the examination. No draft paper will be provided during the examination. Rough workings or notes should be made on the question book and will not be marked.
- ✚ The packets of question papers will be opened in the presence of the candidates before the start of the examination. Candidates should remain silent and are not allowed to communicate with other students during the examination. Candidates interfering with the proper conduct of the examinations will be warned by the invigilator or expelled from the examination room in a serious case. In such circumstances, a report will be submitted to the HKIB to consider whether disciplinary action will be taken. Disciplinary action includes, but is not limited to, candidate disqualification.
- ✚ Candidates cannot leave the examination centre during the first 45 minutes and the last 15 minutes of an examination. Candidates who decide to leave early must notify the invigilator as quietly as possible, and will not be allowed to reenter the examination centre.
- ✚ Candidates are not allowed to communicate with other candidates during an examination. They are also prohibited from communicating with third parties outside the examination centre by using any electronic device. The invigilator has the right to expel candidates from the examination centre if their behaviour interferes with the proper conduct of the examination. Any candidate who attempts to copy from another candidate's script or any other source will be disqualified.
- ✚ Candidates must stop writing when instructed to do so by the invigilator at the end of examination.

- ✚ Candidates must not detach any part of their answer sheet, or remove their answer sheet, whether wholly or partly, from the examination room.

If any candidate infringes any of the above regulations for the conduct of the examinations, he/she will be reported to the Professional Standard and Examination Board of the Institute and will be liable to disciplinary actions, including disqualification.

L. Examination Prize Awards

Module Prize and Freshman Prize are awarded to best performed candidates in each diet.

Module Prize

Module Prize is awarded to the candidate who has achieved the highest mark among all candidates of that module, and has obtained at least a Pass with Credit. The prizes are sponsored by Banks.

Freshman Prize

Freshman Prize winner is the best performing candidate who: -

- ✚ Attempts the CB Examination for the first time; and
- ✚ Attempts at least 2 modules in an examination diet; and
- ✚ Obtains highest average mark; and
- ✚ Not more than 3 years of banking experience.

8. Bad Weather Arrangements

In the event of bad weather on the training class/ examination day, candidates should visit HKIB website at www.hkib.org for announcements about the latest arrangements, and should pay attention to radio/ television broadcasts about weather conditions.

- If the typhoon signal No. 8 or above, or black rainstorm signal is hoisted or still in force on the day of a training class, the arrangements below apply:

Signal in force	Training Class(es) cancelled
At 6:30am	Morning Session (8:30am – 2:00pm) is cancelled.
At 12:00noon	Afternoon Session (2:00pm – 6:00pm) is cancelled.
At 3:00pm	Evening Session (6:00pm – 10:00 pm) is cancelled.

- If the typhoon signal No. 8 or above, or brainstorm signal is hoisted or still in force on the day of an examination at the following times, the arrangements below will apply:

Signal in force	Examination cancelled
At 6:00am	Examination(s) (8:00am – 1:00pm) are cancelled.
At 10:00am	Examination(s) (1:00pm – 5:00pm) are cancelled.
At 2:00pm	Examination(s) (at 5:00pm or after) are cancelled.

- If typhoon signal No. 8 or above, or black rainstorm signal, is hoisted or still in force while the training class / examination is in progress, the training class / examination continues as scheduled.
- If a training class / examination is rescheduled, HKIB notifies candidates of the new training class / examination date and time by email within **1 week** of the originally scheduled date.

Under such circumstances, candidates are not required to re-register for the training class / examination. Applications for a refund and/or transfer are NOT allowed.

- ✚ HKIB reserves the right to postpone, cancel and/or reschedule any training class/examination.

9. Personal Data Protection Policy

Personal data provided by the candidate are used for administrative and communicative purposes relating to training and examination. Failure to provide complete and accurate information may affect the provision of administrative services to the candidate. The Institute keeps the personal data provided confidential, but may need to disclose it to appropriate personnel in the Institute and other relevant parties engaging in the provision of examination services to the Institute. Candidates have the right to request access to and correction of their personal data. For details, candidates can contact the Institute.

Candidates are advised to read the Personal Data Protection Policy at **Appendix** to understand their rights and obligations in respect of the supply of personal data to HKIB and the ways in which HKIB may handle such data.

10. Addendums and Changes

HKIB reserves the right to make changes and additions to membership, training and examination regulations, enrolment / application procedures, information in this handbook and any related policies without prior notice. HKIB shall bear no responsibility for any loss to candidates caused by any change or addition made to the aforementioned items.

11. Contact Information

HKIB Office Address

3/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong



General Enquiries

Tel.: (852) 2153 780

Email: hkib@hkib.org

Fax: (852) 2544 9946

Membership Enquiries

Tel.: (852) 2153 7879

Email: membership@hkib.org

Examination Enquiries

Tel.: (852) 2153 7821

Email: exam@hkib.org

Training Programme Enquiries

Tel.: (852) 2153 7877

Email: programme@hkib.org

Office Service Hours

Monday – Friday: 09:00 - 18:00

Saturday, Sunday & Public Holiday: Closed

Appendix 1: Personal Data Protection Policy

When HKIB collects information from participants in our activities, training and/or examinations (“Participants”), it is our policy to meet fully the requirements of the Ordinance, which regulates the treatment of personal data. Throughout this policy, the meaning of the term “personal data” is as defined in the Ordinance. In dealing with personal data, we ensure compliance by our staff with the standards of security and confidentiality prescribed under the Ordinance.

1. All information of a personal nature obtained by HKIB is for the purposes of administering our services, which may include, but are not limited to: training, examinations and other activities organized wholly or in part by HKIB; conducting subsequent performance assessments; and handling related irregularities, if any.

Personal data are supplied either by Participants themselves or from external sources, including, but not limited to: employers, service or learning providers, third parties who are otherwise affiliated to the service in which Participants are involved, and, who may provide HKIB with relevant information on their employees, members and/or students; and members of the public.

After the data obtained from Participants have been captured, processed and checked, hard copies – for example, of Participants’ information checklists or Attendance Notices – may be produced for all HKIB services in order to ensure accuracy of the data. Some data may also be used for the following purposes during registration and/or payment:

- To verify Participants’ identities;
- To fulfill Participants’ specific requests, applications or enrolments relating to our services;
- To administer and deliver information about the service;
- To maintain and process examination marks and results, if any;
- To process and handle Participants’ complaints, enquiries, feedback or irregularities, if any;
- To maintain Participants’ records;
- To conduct research or statistical analysis;
- To release information to relevant third parties on whose behalf HKIB administers, conducts or organised services, and to any third party that HKIB engages to administer and/or conduct services for and on behalf of HKIB;
- To promote and provide various HKIB member services to Participants;
- To serve other purposes as permitted by law; and

- To serve any other purposes as may be agreed between Participants and HKIB.
2. HKIB keeps personal data of Participants' confidential. Nevertheless, as part of its operations, HKIB may compare, transfer or exchange their data with the data already in HKIB's possession, or obtained hereafter by HKIB, for these or any other purposes.
 3. HKIB is also professionally obliged to process the personal data fairly, confidentially and lawfully.
 4. The provision of personal data or any information is voluntary. However, failure to provide the requested personal data may result in HKIB being unable to process Participants' requests, perform its statutory functions or deliver its services to Participants.
 5. HKIB may contact a Participant if we require confirmation of his/her identity, or further information about the data requested that may assist HKIB to locate his/her personal data before complying with his/her request.
 6. HKIB uses the data only for specifically or directly related purposes, as outlined on its enrolment / application form and the accompanying explanatory notes, if any. No exception to this rule is permitted without the express permission of HKIB.
 7. HKIB recognises the sensitive and highly confidential nature of much of the personal data it handles, and maintains a high level of security in its work. HKIB has well-established guidelines and procedures for maintaining the security of all personal data, both as hard copies and in computer-readable form.
 8. HKIB will do its best to ensure compliance with the Ordinance by providing guidelines and monitoring the compliance of the relevant parties. However, HKIB cannot control how third parties use Participants' personal information and assumes no responsibility for privacy protection provided by such third parties.
 9. The means of Participants' communications with HKIB, including online, email, text message (SMS), and HKIB's customer hotline, may be recorded and retained for training and record-keeping purposes. Records may be used to monitor the quality of the assistance given and to verify the matters discussed.

Personal data protection in regions outside Hong Kong is subject to the requirements of these

jurisdictions.

Responsibility and Rights of Candidates

Participants are required to keep HKIB informed of any changes in their personal data once they have enrolled as Participants for services offered by HKIB or for an examination, and until such time as the service is completed or Participants have completed the examination. HKIB has well-established procedures to verify and process the amendment of Participants' particulars. After the data obtained from the enrolment / application forms have been captured, processed and checked, hard copies – for example, of Participants' information checklists or Attendance Notices – may be produced for all services offered by HKIB in order to ensure accuracy of personal data.

Under the Ordinance participants have the right to request access to, or correction of any data provided by them as per the manner and limitations prescribed therein. As the Ordinance allows, HKIB has the right to charge a reasonable fee for processing request for data access.

Participants who request access to data or correction of their data should do so in writing to HKIB. Participants should also write to HKIB if they do not want to receive any information on services offered by HKIB.

Data Retention

Unless otherwise agreed, hard copies of all documents containing Participants' personal data they have provided to HKIB become the property of HKIB. HKIB destroys all documents it holds in accordance with its internal policy and applicable laws.

Personal data are retained only for such period as may be necessary for carrying out the purposes stated in this policy or as otherwise specified at the time of collection. In some circumstances, HKIB may retain certain records for other legitimate reasons, including to resolve disputes, cross-check against future examination application, if applicable, and to comply with other reporting and retention obligations.

Transfer of Personal Data Outside of Hong Kong

At times it may be necessary and prudent for HKIB to transfer certain personal data to places outside Hong Kong SAR, in order to carry out the purposes, for which the personal data were collected. Where such a transfer is performed, it is done in compliance with the requirements of the Ordinance.

Amendments

HKIB reserves the right to change or modify its privacy policy at any time without prior notice. Any such change or modification shall be effective immediately upon posting of the changes and modification on this website.

Enquiries

All access/ correction requests and any enquiries about this privacy policy statement should be directed to HKIB at the address and telephone numbers below:

The Hong Kong Institute of Bankers
3/F Guangdong Investment Tower
148 Connaught Road Central
Hong Kong
Tel.: (852) 2153 7800
Facsimile: (852) 2544 9946
Email: hkib@hkib.org

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The Hong Kong Institute of Bankers

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