

# CB Macao Programme Handbook 2020

Syllabus, Regulations and General Information

## Certified Banker Macao (Stage I) Advanced Diploma for Certified Banker Macao



CERTIFIED  
BANKER

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## **1. Introduction**

### **1.1 Benchmark for Professional**

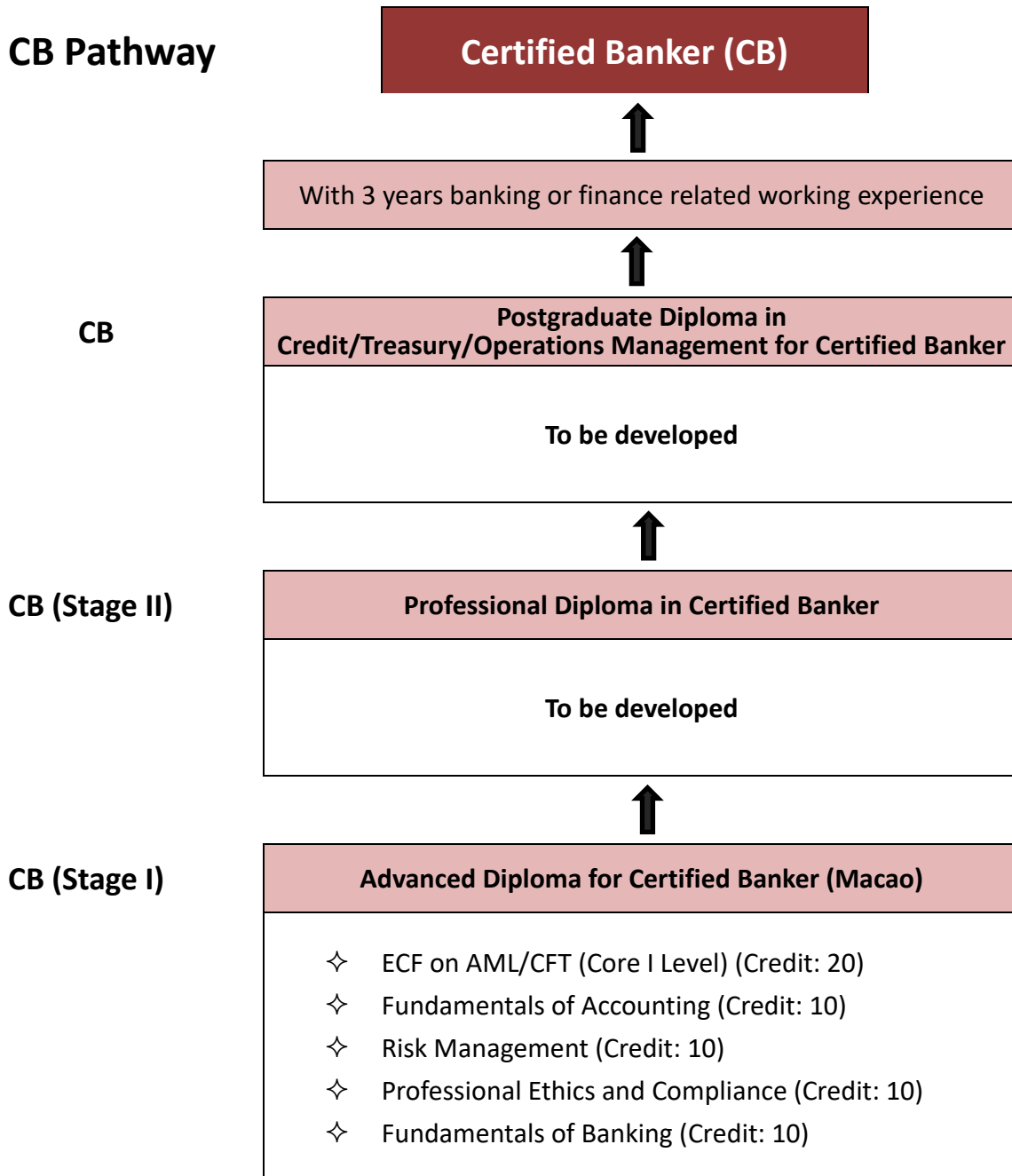
The Certified Banker Macao (Stage I) is a banking professional qualification programme which is developed and jointly launched by The Macau Institute of Financial Services (MIFS) and the Hong Kong Institute of Bankers (HKIB). It provides a common qualification benchmark that is recognised by regulators and leading authorised institutions with an aim at helping the banking practitioners in Macao to raise their professional standards with relevant skills for the fast-changing banking environment. In 2017, the Certified Banker Macao (Stage I) was included as one of the “acceptable professional qualifications in finance and industry qualifications” in Appendix 5 of the Monetary Authority of Macao (AMCM) “Guideline on Provision and Distribution of Financial Products”.

### **1.2 ECF Modules Integrated to Certified Banker Macao**

The programme of Certified Banker Macao encompasses both generic and specialist topics. It also integrates the programmes developed by the Hong Kong Monetary Authority (HKMA)’s Enhanced Competency Framework (ECF). In 2018, a memorandum of understanding (MoU) between the HKMA and the AMCM was signed to confirm the mutual recognition of ECF programmes in Hong Kong and Macao. The MoU is extremely significant to the banking industry in the respective jurisdictions as it provides a framework for collaboration between both regulators with the goal of promoting talent mobility and professional development for the sector. The ECF programmes, which are the building blocks of Certified Banker Macao are jointly administered by the MIFS and HKIB.

## 2. Programme Structure

### 2.1 Programme Pathway



**Note:**

*'Credit' is a measure of the size or volume of learning. It enables learners to know the extent of effort to be spent in order to complete a learning programme/module and acquire the relevant qualification. 1 credit point consists of 10 notional learning hours. It includes classroom contact hours, self-study hours and assessment hours.*

## 2.2 Programme Structure of CB Macao (Stage I)

The Programme Structure of the [Advanced Diploma for Certified Banker Macao](#) is as follow:

Modules	Tuition Hours	Credits
1. ECF on AML/CFT Macao (Core Level)	24	20 Credits
2. Fundamentals of Accounting (Macao)	12	10 Credits
3. Risk Management (Macao)	12	10 Credits
4. Professional Ethics and Compliance (Macao)	12	10 Credits
5. Fundamentals of Banking (Macao)	12	10 Credits
<b>Total:</b>	<b>72 Hours</b>	<b>60 Credits</b>

Upon the completion of the ECF on AML/CFT Macao (Core Level) module, the qualification "**Advanced Certificate for ECF on Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) Macao**" would be jointly awarded by HKIB and MIFS. The designation of "**AAMLPLP Macao**" would be granted upon fulfilling the designation requirement.

Upon the completion of the remaining four modules as specified in the programme structure above, the qualification for "**Advanced Diploma for Certified Banker Macao**" would be jointly awarded by HKIB and MIFS. The destination of "**CB Macao (Stage 1)**" would be granted upon fulfilling the destination requirements.

## 2.3 Entry Requirements

Candidates of the Certified Banker Macao (Stage I) must be HKIB Individual Members and fulfil one of the following 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 their employer.*

**Note:**

1. Full time students of the stated Diploma or Degree programmes will also be considered. Student members such as university undergraduates can enrol in the Advanced Diploma for Certified Banker before they graduate. Upon graduation, student members can continue to pursue the Professional Diploma for Certified Banker, and also attain the respective CB designation after fulfilling the required work experience.
2. The recommended Mature Applicants should have the knowledge and skills to complete the training activities and achieve the intended learning outcomes. Thus 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 concerned.

**2.4 Qualifications and Designations**

Individual members who successfully complete a particular level with 1 year of work experiences in the banking and financial services sector will be entitled to use the respective CB Macao (Stage I) designation upon election by HKIB committees.

Qualifications	Designations (Award Titles)
Advanced Diploma for Certified Banker Macao	Certified Banker Macao (Stage I) Or CB Macao (Stage I)

**Note:**

1. To facilitate public recognition of CB and acknowledge the achievement of our designation holders, designation holders will be registered as Certified Individuals (CI) of HKIB in HKIB website, and name of designation holders will be presented on the HKIB website and also published on the Institute’s journal “Banking Today”.
2. To maintain the professional qualification status, designation holders should maintain HKIB membership and fulfil the HKIB Continuing Professional Development (CPD) annual requirements.
3. The CPD requirements will be waived for the first calendar year (ending 31 December) of certification.
4. Fellow Certified Bankers and Professional Members are required to comply with the

Continuing Professional Development (CPD) requirements set out by the HKIB. The objective of implementing the CPD requirements is to ensure banking practitioners continue to maintain, upgrade and broaden their knowledge and perspectives throughout their careers. Through individuals pursuing ongoing professional improvement, the standards of the wider industry will continue to rise. For details of HKIB's CPD requirements, please download and read Overview of [HKIB CPD Scheme](#).

## **2.5 Module Exemption (TBC)**

The programme exemption criteria is now under review and the details will be announced soon.

## **2.6 Grandfathering Arrangement (TBC)**

A Relevant Practitioner may be grandfathered on a one-off basis based on his or her years of qualifying work experience upon implementation of the relevant level of qualification and such work experience need not be continuous. The requirements are now under review and the details will be announced soon.



### **3. Programme Overview - Advanced Diploma for Certified Banker Macao**

#### **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 Macao aim to equip candidates with the core competence required under the Enhanced Competency Framework (ECF), the banking industry standard introduced by the HKMA, as well as the local requirements set by the Monetary Authority of Macao (AMCM).

#### **B. 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/Macao 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.

### **3.1 ECF on Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) Macao (Core Level)**

#### **A. Module Objective**

This programme is developed with the objective to provide the learners essential skills and knowledge in AML/CFT compliance in order to help them meet the competence requirements of the AML/CFT practitioners to perform their roles.

#### **B. Module Intended Learning Outcomes (MILOs)**

- + Explain what ML/TF is and how to relate it to the banking and finance sector and to their work in Macao
- + Specify the importance ML/TF related to Macao banking and finance sector
- + Describe the AML/CFT International Standards and related Macao legal and regulatory framework
- + Identify key elements of AML/CFT risk management framework in system design and assess the related risks
- + Assess the transactions pattern and apply customer due diligence requirements for identifying suspicious transactions for reporting
- + Apply and assess the on-going AML/ CFT monitoring system and investigation process

#### **C. Assessment Method**

- + Examination: 80 Multiple Choice questions
- + Passing mark for this module is 70%
- + Time allowed: 2.5 hours

## D. Syllabus

<b>Chapter 1: Fighting money laundering/terrorist financing – Why it is important and what is the legal/regulatory framework?</b>			
1	What are money laundering and terrorist financing?	1.1 1.2 1.3 1.4	What is money laundering? What is terrorist financing? How terrorist financing compares with money laundering Relationship between money laundering and bribery and corruption
2	Why combating ML/TF is important?	2.1 2.2	International AML/CFT environment ML/TF in Macao
3	International AML/CFT regime	3.1 3.2 3.3 3.4 3.5	Financial Action Task Force (FATF) and FATF Recommendations FATF-style regional bodies Basel Committee on Banking Supervision Other AML/CFT-related international organisations Other relevant overseas bodies or standards
4	Macao AML /CFT regime	4.1 4.2 4.3 4.4	Introduction AML/CFT-related legislation Government agencies Industry associations
<b>Chapter 2: Managing the risk of ML/TF in banks in Macao – How does ML/TF take place?</b>			
1	How are the three stages of money laundering relevant to banks?		
2	How is the banking sector vulnerable to ML/TF?	2.1 2.2 2.3 2.4 2.5	Product/service risk Delivery/distribution channel risk Customer risk Country risk Other risks related to ML/TF

		2.6	Case studies
3	ML/TF vulnerabilities when dealing with particular types of customers or in specific bank services, products and delivery channels	3.1	Customers/Counterparts
		3.2	Bank Accounts
		3.3	Bank Products
		3.4	Banking Services
		3.5	Delivery Channels
<b>Chapter 3: How can banks combat ML/TF through establishing AML/CFT risk management framework?</b>			
1	Objectives of an ML/TF management system		
2	Risk-based approach to AML/CFT	2.1	What is the risk-based approach?
		2.2	Why is the risk-based approach important?
		2.3	Risk appetite
3	Core elements of an ML/TF risk management system	3.1	Assessment and understanding of risk (at institutional and customer level)
		3.2	Risk governance
		3.3	Three lines of defence
		3.4	Policies and procedures
		3.5	Customer acceptance policies and procedures
		3.6	Ongoing monitoring
		3.7	Record-keeping requirements and information management
		3.8	Ongoing staff training
<b>Chapter 4: Knowing your customer – Customer due diligence</b>			
1	Customer due diligence (CDD) and why it is important	1.1	What is CDD?
		1.2	Customer risk assessment
		1.3	Customer acceptance policy
		1.4	Enhanced due diligence (EDD)
		1.5	Simplified due diligence (SDD)

2	Identification and verification requirements	2.1	Common types of customers
		2.2	Beneficial owners
		2.3	Persons purporting to act on behalf of customers
		2.4	Banks may rely on intermediaries to perform CDD on customers
		2.5	Insufficient information, or information that gives rise to suspicion
3	Purpose and intended nature of the business relationship		
4	Specific types of customers	4.1	Politically exposed persons (PEPs)
		4.2	Customers not physically present for identification purposes
		4.3	Correspondent banking
		4.4	Private banking
		4.5	Customers with bearer shares
		4.6	Customers with use of nominees accounts
		4.7	Shell companies
5	Ongoing review and monitoring	5.1	Ongoing monitoring
		5.2	Periodic reviews
		5.3	Event-triggered reviews
<b>Chapter 5: Monitoring, sanctions compliance and suspicious transaction reporting</b>			
1	Ongoing monitoring	1.1	What is on-going monitoring?
		1.2	Transaction monitoring
2	Customer and transaction screening	2.1	Sanctions regime in Macao
		2.2	How to comply with sanctions requirements
		2.3	Components of an effective screening system
3	Suspicious transaction reporting	3.1	Obligation to file an STR
		3.2	Internal reporting framework
		3.3	Reporting to the Financial Intelligence Office (GIF)
		3.4	Post-reporting matters

## E. Recommended Readings

### **Essential Readings:**

HKIB Study Guide -- ECF on Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) (Core Level) – (Macao) (2019).

### **Supplementary Readings:**

1. Monetary Authority of Macao (2016). *Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) Guideline*.
2. FATF (2016). *The FATF Recommendations, International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation Version February 2012*. Hong Kong
3. Hong Kong Monetary Authority (2015). *Guideline on Anti-Money Laundering and Counter Terrorist Financing (for Authorized Institutions)*. Hong Kong.
4. Hong Kong Monetary Authority (2016). *Supervisory Policy Manual*. Hong Kong.

### **Further Readings:**

1. “How to Combat Money Laundering and Terrorism Financing”, Edited by Richard Pratt – Central Banking Publications Ltd. (2005)
2. IMF. “The IMF and the Fight Against Money Laundering and the Financing of Terrorism, 6 October 2016”. 27 October 2016.
3. Narcotics Division, Security Bureau of The HKSAR Government. “Anti-Money Laundering and Counter-Terrorist Financing”.
4. United Nations. “United Nations Convention Against Transnational Organized Crime and the Protocols Thereto. 2004”. 27 October 2016.
5. Custom and Excise Department of the HKSAR Government. Guidance Note for Fit and Proper Person Declaration Form (For partner/director which is a corporation) March 2018
6. Dennis, C. (2011). *Introduction to Money Laundering Deterrence*. New Jersey: John Wiley & Sons, Inc.
7. Hong Kong Monetary Authority. “Guidance Paper Anti-Money Laundering Controls over Tax Evasion (March 2015)”. 1 November 2016.
8. Jonathan, T. (2011). *Money Laundering Prevention*. New Jersey: John Wiley & Sons, Inc.
9. Securities and Futures Commission. “Guideline on Anti-Money Laundering and Counter-Terrorist Financing”. 1 November 2016.

10. Bank for International Settlements. "Basel Committee on Banking Supervision: Guidelines on Sound management of risks related to money laundering and financing of terrorism, February 2016". 1 November 2016.
11. FATF. "Risk-Based Approach Guideline for the Banking Sector, October 2014". 1 November 2016.
12. Hong Kong Monetary Authority. "Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance". 1 November 2016.
13. Hong Kong Monetary Authority. "Basel Committee on Banking Supervision's Paper on "Sound management of risks related to money laundering and financing of terrorism". 1 November 2016.
14. Hong Kong Monetary Authority. "FATF Risk-Based Approach Guidance for the Banking Sector and Money Laundering and Terrorist Financing Risk Assessment". 1 November 2016.
15. Bank for International Settlements. "Customer due diligence for banks". 1 November 2016.
16. Basel Institute on Governance. "Basel AML Index 2015 Report". 1 November 2016.
17. Custom and Excise Department of the HKSAR Government. "Chapter 615 Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance, Schedule 2 Section 1(1)". 1 November 2016.
18. FATF. "An effective system to combat money laundering and terrorist financing". 1 November 2016.
19. FATF. "Third Mutual Evaluation Report – Anti-money laundering and combating the financing of terrorism Hong Kong, China". 1 November 2016.
20. Financial Conduct Authority. "Banks' management of high money-laundering risk situations". 1 November 2016.
21. Hong Kong Monetary Authority. "Code of Banking Practice (February 2015)". 1 November 2016.
22. Hong Kong Monetary Authority. "Feedback from recent AML/CFT examinations AML Seminars". 1 November 2016.
23. Hong Kong Monetary Authority. "Industry Working Group on Prevention of Money Laundering and Terrorist Financing, FAQ on Politically Exposed Persons". 1 November 2016.
24. Hong Kong Monetary Authority. "Regulatory Update on AML/CFT — Understanding Source of Wealth Requirements, 21 January 2016". 1 November 2016.
25. Hong Kong Monetary Authority. "Treat Customers Fairly Charter". 1 November 2016.
26. HKMA. "Monetary Authority takes disciplinary action against State Bank of India, Hong Kong Branch for contraventions of specified provisions under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance". 1 November 2016.

27. HKMA. “The Monetary Authority reprimands and fines Coutts & Co AG, Hong Kong Branch (also known as Coutts & Co Ltd, Hong Kong Branch) for contraventions of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance”. 11 April 2017.
28. Macao Law No. 3/2006, Law on Prevention and Suppression of Crimes of Terrorism.
29. Macao Law No. 6/2016, the Asset Freezing Regime.
30. Macao Law No. 6/2017, Law on Control of the cross-border transportation of cash and bearer negotiable instruments
31. Macao Law No. 5/2017, Legal regime of exchange of information for tax purposes.
32. HKIB e-learning:
  - a. What is money laundering?
  - b. International Initiatives
  - c. Customer Identification Program
  - d. USA Patriot Act
  - e. Wolfsberg Principles on Correspondent Banking
  - f. Terrorist related Money Laundering
  - g. Bank Secrecy Act (BSA)/Anti-Money Laundering (AML) - Overview
  - h. BSA/AML - Compliance Program Requirements







## **3.2 Fundamentals of Accounting**

### **A. Module Objectives**




This module aims to enable 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.

### **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

**D. Syllabus**

<b>Chapter 1: Financial Reporting</b>			
1	Basics of Book Keeping	1.1	Accounting of financial transactions
		1.2	Double-entry booking system
		1.3	Construction of a trial balance
2	Understanding Financial Statements	2.1	Objectives of financial statements
		2.2	Major components of financial statements <ul style="list-style-type: none"> <li>▪ Statement of financial position</li> <li>▪ Statement of profit or loss and other comprehensive income</li> <li>▪ Statement of changes in equity</li> <li>▪ Statement of cash flow</li> </ul>
		2.3	Conceptual framework for the preparation of financial statements
		2.4	Features of financial statements <ul style="list-style-type: none"> <li>▪ Quantitative characteristics</li> <li>▪ Qualitative characteristics</li> </ul>
3	Regulatory Environment for Financial Reporting in Macao	3.1	Framework for the preparation of financial statements
		3.2	Regulatory bodies responsible for setting accounting standards
<b>Chapter 2: Interpretation of Financial Statements</b>			
1	Use of Financial Statements in Commercial Lending	1.1	Introduction
		1.2	Objectives of financial statement analysis
2	Financial Statement Analysis	2.1	Earnings analysis
		2.2	Developing a profit projection
		2.3	Ratio analysis <ul style="list-style-type: none"> <li>▪ Profitability ratios</li> <li>▪ Efficiency ratios</li> <li>▪ Investor ratios</li> <li>▪ Return on assets as a measure of operating profitability</li> </ul>

		2.4	<ul style="list-style-type: none"> <li>▪ Return on Shareholders' Equity</li> <li>▪ Liquidity ratios</li> <li>▪ Stability ratios</li> <li>▪ Usefulness and limitations of ratio analysis</li> </ul> Financial performance trend analysis and industry comparison
3	Comparison of Financial Statements of a Bank to Non-bank Entities	3.1	Financial statements of a bank
		3.2	Financial statements of non-bank entities
<b>Chapter 3: Investment Decisions and Valuation</b>			
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 <ul style="list-style-type: none"> <li>▪ Net assets</li> <li>▪ Earnings</li> </ul>
		3.4	Goodwill and fair values
<b>Chapter 4: Budgeting &amp; Performance Measurement in Banking</b>			
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

## **E. Recommended Readings**

### ***Essential Readings:***

HKIB Study Guide – Fundamentals of Accounting (Macao) (2019)

### **For Chapter 1**

#### ***Supplementary Readings:***

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

#### ***Further Readings:***

4. Scott McCleskey. (2010). *When Free Markets Fail: Saving the Market When It Can't Save Itself* (1st ed.). Wiley.
5. Thomas & Ng. (2014). *Introduction to Financial Accounting in Hong Kong* (3rd ed.). McGraw-Hill.
6. Williams, Haka & Bettner (2014). *Financial & Managerial Accounting* (17th ed.). McGraw-Hill.
7. Cindia Ching-Chi Lam, "The Transformation of Accounting in Macau (1970-2008). A Historic Path to International Accounting Standards", Cengage Learning Asia 2011 ed.
8. H. Alagiah, Ratnam and Lok, Tan Cheng, "Establishing a System of Financial Reporting Standards: A Case Study of Macau", *World Review of Business Research* 3(2) (2013).

### **For Chapter 2**

#### ***Supplementary Readings:***

1. Thomas Edmonds, Christopher Edmonds, Frances McNair and Philip Olds. (2015). *Fundamental Financial Accounting Concepts* (9th ed.). McGraw Hill.

#### ***Further Readings:***

2. HKIB E-learning Course No. 25 – Financial Institution Analysis – CAMELS Approach

3. Lee & Lees (2010). *Financial Analysis, Planning & Forecasting: Theory and Application* (2nd ed.). World Scientific.
4. Scott McCleskey. (2010). *When Free Markets Fail: Saving the Market When It Can't Save Itself* (1st ed.). Wiley.

### **For Chapter 3**

#### ***Supplementary Readings:***

1. Thomas Edmonds, Christopher Edmonds, Frances McNair and Philip Olds. (2015). *Fundamental Financial Accounting Concepts* (9th ed.). McGraw Hill.

#### ***Further Readings:***

2. HKIB E-learning Course No. 18 – Credit Analysis
3. Foerster & Robert, “Financial Management: Concepts and Applications”, Pearson 2015 ed.
4. Scott McCleskey. (2010). *When Free Markets Fail: Saving the Market When It Can't Save Itself* (1st ed.). Wiley.

### **For Chapter 4**

#### ***Supplementary Readings:***

1. Thomas Edmonds, Christopher Edmonds, Frances McNair and Philip Olds. (2015). *Fundamental Financial Accounting Concepts* (9th ed.). McGraw Hill.

#### ***Further Readings:***

2. HKIB E-learning Course No. 39 – Management Accounting
3. Langfield-Smith, Thorne, & Hilton (2012). *Management Accounting: Information for Creating and Managing Value*. McGraw Hill.
4. Scott McCleskey. (2010). *When Free Markets Fail: Saving the Market When It Can't Save Itself* (1st ed.). Wiley.

### **3.3 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.

#### **B. Module Intended Learning Outcomes**

Upon completion of this module, learners 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;
- + 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

## D. Syllabus

<b>Chapter 1: Introduction &amp; Process of Risk Management</b>			
1	Introduction to Risk Management	1.1 1.2 1.3 1.4 1.5	Definition of risk Types of risk Principles of risk management Concepts of risk financing, risk control, hedging and insurance The need for risk management
2	Process of Risk Management	2.1 2.2 2.3 2.4 2.5	Introduction Identifying risk <ul style="list-style-type: none"> <li>▪ Inherent risks in banking activities</li> <li>▪ Identification of risk drivers</li> </ul> Measuring risk <ul style="list-style-type: none"> <li>▪ Risk measurement methodologies</li> <li>▪ Risk measurement in practice</li> </ul> Managing risk <ul style="list-style-type: none"> <li>▪ Principles for developing risk policies and procedures</li> <li>▪ Limits setting</li> <li>▪ Use of tools and methods</li> </ul> Monitoring risk <ul style="list-style-type: none"> <li>▪ Risk management information systems</li> <li>▪ Key risk indicators</li> <li>▪ Risk mitigation</li> </ul>
<b>Chapter 2: Regulatory Requirements in Risk Management</b>			
1	Regulations of Financial Institutions	1.1	Supervisory Approach Adopted by Monetary Authority of Macao (AMCM) <ul style="list-style-type: none"> <li>▪ Risk management environment</li> <li>▪ Oversight of risk management by the board and senior management</li> <li>▪ Policies, procedures and limits of a sound risk management system</li> <li>▪ Risk assessment prior to launching new products and services</li> </ul>

		1.2	<ul style="list-style-type: none"> <li>▪ Risk measurement, monitoring and reporting</li> <li>▪ Enterprise risk management framework (3 lines of defence)</li> <li>▪ Risk measurements and the Risk Management function</li> </ul> <p>CAMEL rating system for banks</p>
2	Basel	2.1	Basel Committee on Banking Supervision
		2.2	<p>Development of Basel</p> <ul style="list-style-type: none"> <li>▪ Basel I</li> <li>▪ Basel II</li> <li>▪ Basel III</li> </ul>
		2.3	Applications of Basel in different business models
3	Case Sharing on the Consequences of Violating Regulatory Requirements in Risk Management		
<b>Chapter 3: Structuring Risk Management Functions</b>			
1	Organisation of Risk Management Functions in a Bank	1.1	<p>General Risk Management Committees</p> <ul style="list-style-type: none"> <li>▪ Risk Executive Committee</li> <li>▪ Group Reputational Risk Committee</li> <li>▪ Finance and Audit</li> </ul>
		1.2	<p>Roles &amp; responsibilities of major parties</p> <ul style="list-style-type: none"> <li>▪ Management Board</li> <li>▪ Supervisory Board</li> <li>▪ Chief Risk Officer</li> </ul>
		1.3	Framework for internal control
2	Risk Management Tools and Measures	2.1	<p>Use of economic capital for risk management</p> <ul style="list-style-type: none"> <li>▪ VaR</li> <li>▪ RWA</li> <li>▪ Capital adequacy (Common Equity Tier 1)</li> <li>▪ Risk-adjusted return on capital</li> </ul>

## E. Recommended Readings



## **For all Chapters**

### ***Essential Readings:***

HKIB Study Guide – Risk Management (Macao) (2019)

### ***Supplementary Readings:***

1. HKIB E-learning Course No.17 – Counter Party Credit Risk
2. HKIB E-learning Course No. 35 – Governance, Risk and Compliance
3. HKIB E-learning Course No. 42 – Market Risk – Intermediate
4. HKIB E-learning Course No. 46 – Operational Risk Management

### ***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)

## **For Chapter 1**

1. John Hull. (2018). Risk Management and Financial Institutions (5th ed.). Wiley.

## **For Chapter 2**

1. John Hull. (2018). Risk Management and Financial Institutions (5th ed.). Wiley.
2. Guidelines and circulars of the Monetary Authority of Macao
  - Guideline on Risk Management of Electronic Banking (Circular no. 003/B/2008-DSB/AMCM)
  - Guideline on Management of Country Risk (Circular no. 008/B/2008-DSB/AMCM)
  - Guideline on Management of Interest Rate Risk (Circular no.051/B/2008-DSB/AMCM)
  - Guideline on Management of Liquidity Risk (Circular no. 003/B/2011-DSB/AMCM)

## **For Chapter 3**

1. Saptarshi Ganguly, Holger Harreis, Ben Margolis, Kayvaun Rowshankish (2017). Digital risk: Transforming risk management for the 2020s. Available at <https://www.mckinsey.com/business-functions/risk/our-insights/digital-risk-transforming-risk-management-for-the-2020s>

## **3.4 Professional Ethics and Compliance**

### **A. Module Objectives**

This module aims to provide the 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.

## **B. Module Intended Learning Outcomes**

Upon completion of this module, learners 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;
- ✚ 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

## D. Syllabus

<b>Chapter 1: Ethics and the Individual</b>			
1	Introduction	1.1	Historical background
		1.2	Approaches to normative ethics: absolutism & relativism
2	Ethics and the Individual	2.1	Introduction
		2.2	Ethical requirements in Macao <ul style="list-style-type: none"> <li>▪ Code of Conduct</li> <li>▪ Code of Conduct issued by the Macau Association of Banks</li> <li>▪ Conflict of interest</li> <li>▪ Anti-bribery laws and relevant legal requirements</li> <li>▪ Guidelines regarding relationship between banks and customers</li> </ul>
3	Code of Conduct and Code of Banking Practice in Hong Kong	3.1	Code of Conduct by the Hong Kong Monetary Authority <ul style="list-style-type: none"> <li>▪ Bank on Integrity</li> <li>▪ Conflicts of interest</li> </ul>
		3.2	Code of Banking Practice by The Hong Kong Association of Banks and the DTC Association <ul style="list-style-type: none"> <li>▪ Customer information management</li> <li>▪ Equal opportunities</li> <li>▪ Bank marketing</li> <li>▪ Customer complaint management</li> </ul>
		3.3	Ethical dilemmas <ul style="list-style-type: none"> <li>▪ Ethics in practice</li> </ul>
<b>Chapter 2: Ethics and the Corporation</b>			
1	Ethics and the Corporation	1.1	Introduction <ul style="list-style-type: none"> <li>▪ Corporate social responsibility</li> <li>▪ Corporate accountability</li> <li>▪ Corporate citizenship</li> </ul>
		1.2	Social environmental issues facing modern business organisations

		1.3	Public perception & reputation risk
		1.4	Globalisation
		1.5	Reputation & sustainability
<b>Chapter 3: Regulatory Framework and Regulatory Requirements</b>			
1	Regulatory Framework	1.1	Introduction
		1.2	The Monetary Authority of Macao (AMCM)
		1.3	Regulatory Framework of Hong Kong's Financial Sector <ul style="list-style-type: none"> <li>▪ The Hong Kong Monetary Authority (HKMA)</li> <li>▪ The Securities and Futures Commission (SFC)</li> <li>▪ The Insurance Authority (IA)</li> <li>▪ The Mandatory Provident Fund Schemes Authority (MPFA)</li> </ul>
2	Regulatory Requirements	2.1	Know Your Customer
		2.2	Laws and regulations applicable to financial services
		2.3	Suitability obligations & mis-selling
		2.4	Market misconduct under the SFO of Hong Kong <ul style="list-style-type: none"> <li>▪ Insider trading</li> <li>▪ Price rigging</li> <li>▪ Other types of securities fraud e.g. market manipulation</li> </ul>
		2.5	Customer protection laws <ul style="list-style-type: none"> <li>▪ Consumer Council</li> <li>▪ Treat customers fairly</li> <li>▪ Personal Data Protection</li> </ul>
		2.6	Equal opportunities
		2.7	Bribery & corruption
		2.8	Prevention of financial crimes

<b>Chapter 4: Corporate Governance and Internal Control</b>			
1	Corporate Governance	1.1	Introduction
		1.2	Structuring of the bank <ul style="list-style-type: none"> <li>▪ Organisational structure</li> <li>▪ The board</li> <li>▪ Specialised committees</li> </ul>
		1.3	Stakeholders in corporate governance
		1.4	Staff competency
2	Internal Controls	2.1	Control environment
		2.2	Risk recognition and assessment
		2.3	Control activities
		2.4	Accounting, information, and communication systems
		2.5	Monitoring and correcting

## **E. Recommended Readings**

### ***Essential Readings:***

HKIB Study Guide - Professional Ethics and Compliance (Macao) (2019)

### ***Supplementary Readings:***

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

### ***Further Readings:***

#### **For the whole module:**

1. John R. Boatright. (2014). Ethics in Finance (3rd ed.). Wiley-Blackwell.
2. HKIB E-learning Course No. 16 – Corporate Governance
3. HKIB E-learning Course No. 33 - Global Banking Supervision

#### **For Chapter 1**

1. Arbogast, S.V. (2013). Resisting Corporate Corruption: Cases in Practical Ethics From Enron Through The Financial Crisis (2nd ed.). Wiley-Scrivener.
2. Boatright, J.R. (2014). Ethics in Finance (3rd ed.). Wiley-Blackwell.
3. Crane A. and Matten, D. (2015). Business Ethics: Managing Corporate Citizenship and Sustainability in the Age of Globalization (4th ed.). Oxford University Press.
4. Hendry, J. (2013). Ethics and Finance: An Introduction. Cambridge University Press.
5. Hong Kong Monetary Authority, Supervisory Policy Manual
6. O’Sullivan P, Smith M., Esposito M., 2012, Business Ethics: A critical approach: integrating ethics across the business world, Routledge
7. The Chartered Institute of Management Accountants. Ethics Support Guide Jan 2017, Ethics Dilemmas Checklist Worksheet under Item 3 Exercise, Case Studies and Ethics Training.
8. The Hong Kong Association of Banks and the DTC Association, 2015, Code of Banking Practice
9. ICAC, Bank on Integrity, A practical guide for Bank Managers
10. ICAC, Bank on Integrity: e-Learning Package for Banking Practitioners
11. The Office of the Privacy Commissioner for Personal Data, HK, Guidance on the Proper Handling of Customers’ Personal Data for the Banking Industry October 2014
12. The Securities and Futures Commission Hong Kong, Code of Conduct for Licensed and Registered Persons with the Securities and Futures Commission

13. AMCM, Decree Law no. 32/93/M Financial System Act (FSA),
14. AMCM, Guideline on Provision and Distribution of Financial Products
15. AMCM, Guideline on Handling of Customer Complaints

### **For Chapter 2**

1. Arbogast, S.V. (2013). Resisting Corporate Corruption: Cases in Practical Ethics From Enron Through The Financial Crisis (2nd ed.). Wiley-Scrivener.
2. Boatright, J.R. (2014). Ethics in Finance (3rd ed.). Wiley-Blackwell.
3. China Banking Association (2009). Guidelines for Corporate Social Responsibility of Banking Institutions in China, 12 January 2009.
4. Crane A. and Matten, D. (2015). Business Ethics: Managing Corporate Citizenship and Sustainability in the Age of Globalization (4th ed.). Oxford University Press.
5. Croft, L., Norton, A., Dougan, S., Gilliland, D. & Donnelly, C. (2008). Organisational Management in Financial Services. Global Professional Publishing.
6. Das Gupta, A. (2008). Corporate Citizenship: Perspectives in the New Century. Cambridge Scholars Publishing.
7. Falconer, S. (2014). Financial Services Management, a qualitative approach. Routledge.
8. Fleming, J. and Daniela Yu, D (2015). Consumers Doubt Their Personal Info Is Very Safe. Business Journal, March 11, 2015. Accessed on 10 August 2017 at <http://news.gallup.com/businessjournal/181904/consumers-doubt-personal-info-safe.aspx>
9. Hendry, J. (2013). Ethics and Finance: An Introduction. Cambridge University Press.
10. Organisation for Economic Co-operation and Development (2011). The OECD Guidelines for Multinational Enterprises. Organisation for Economic Co-operation and Development, Paris, France.
11. O'Sullivan P, Smith M., Esposito M., 2012, Business Ethics: A critical approach: integrating ethics across the business world, Routledge
12. Ranking Digital Rights. Key Findings. Accessed on 10 August 2017 at <https://rankingdigitalrights.org/index2017/findings/keyfindings/>
13. Saunders, A., Cornett M.M. (2014). Financial Institutions Management (8th ed.). McGraw Hill Education.
14. Vermander, B. (2014). Corporate Social Responsibility in China, a Vision, an Assessment and a Blueprint. World Scientific.

### **For Chapter 3**

1. AMCM, Decree Law no. 32/93/M Financial System Act
2. DSF, Law no. 5/2017 Legal Regime for the Exchange of Tax Information
3. Chief Executive Resolution no. 211/2017 Approving “The Common Reporting Standard and Due Diligence Procedures for Financial Account Information”
4. Office for Personal Data Protection, Act no. 8/2005 is the Personal Data Protection Act

5. AMCM, Anti-Money Laundering and Combating the Financing of Terrorism Guideline

**For Chapter 4**

1. AMCM, Financial System Act
2. AMCM, the Internal Control Guideline for the Authorised Credit Institutions
3. HKMA, Supervisory Policy Manual



## 3.5 Fundamentals of Banking

### A. Module Objectives

This module aims to provide 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.

### B. Module Intended Learning Outcomes

Upon completion of this module, learners 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;
- + 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

**D. Syllabus**

<b>Chapter 1: Financial Systems and Markets</b>			
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	US financial system UK & European financial systems China's financial system Role and function of a central bank <ul style="list-style-type: none"> <li>▪ Monetary policy</li> <li>▪ Banking supervision</li> <li>▪ Reliability of payment systems</li> <li>▪ Lender of last resort</li> <li>▪ Banker to governments</li> <li>▪ Issuer of currency</li> </ul>
3	Hong Kong's Financial System and Markets	3.1 3.2 3.3 3.4	Governing structure Money supply in Hong Kong Linked Exchange Rate System Financial markets <ul style="list-style-type: none"> <li>▪ Hong Kong dollar inter-bank market</li> <li>▪ Interest rate market</li> <li>▪ Money market</li> <li>▪ Capital market</li> <li>▪ Commodities market</li> <li>▪ Derivatives market</li> </ul>
4	Macao's Financial System and Markets	4.1 4.2 4.3 4.4 4.5 4.6	Regulatory framework Financial Infrastructure Money Supply Linked Exchange Rate System Monetary Operations by the AMCM Interest Rates

<b>Chapter 2: Banking Systems and Regulations</b>			
1	Introduction	1.1	The history and recent developments in banking
		1.2	Function of banks relating to the economy
		1.3	General organisational structure <ul style="list-style-type: none"> <li>▪ Front, middle and back offices</li> </ul>
2	Banking Systems	2.1	Banking systems in Macao
		2.2	Banking systems in Hong Kong
		2.3	Banking systems in Mainland China
		2.4	Banking systems in the US
		2.5	Islamic banking
		2.6	International financial organisations <ul style="list-style-type: none"> <li>▪ BASEL Committee</li> <li>▪ IMF including RMB SDR</li> <li>▪ Asian Infrastructure Investment Bank</li> </ul>
3	Banking Regulatory Framework and Banking Regulations	3.1	Banking regulatory framework <ul style="list-style-type: none"> <li>▪ Introduction</li> <li>▪ Regulatory bodies</li> </ul>
		3.2	Banking regulations <ul style="list-style-type: none"> <li>▪ Basel guidelines</li> <li>▪ The Financial System Act</li> <li>▪ AMCM Guidelines</li> <li>▪ The Code of Conduct issued by the Macau Association of Banks</li> </ul>
		3.3	Risk management within banks <ul style="list-style-type: none"> <li>▪ Types of risks</li> <li>▪ Sound risk management systems</li> </ul>
		3.4	Corporate governance
<b>Chapter 3: Banking Products, Services and Operations</b>			
1	Retail Banking Products, Services & Operations	1.1	Bank liability products <ul style="list-style-type: none"> <li>▪ Pataca deposits</li> <li>▪ Foreign currency deposits</li> <li>▪ Deposit Protection Regime</li> </ul>
		1.2	Bank asset products

		<p>1.3 Investment products</p> <ul style="list-style-type: none"> <li>▪ Credit cards</li> <li>▪ Personal loans</li> <li>▪ Personal overdrafts</li> <li>▪ Mortgage loans</li> </ul> <p>1.4 Insurance products</p> <p>1.5 Retail Wealth Management services</p> <p>1.6 Private Wealth Management services</p> <p>1.7 Retail banking operations</p>
2	Corporate and Commercial Banking Products, Services and Operations	<p>2.1 Lending services</p> <ul style="list-style-type: none"> <li>▪ Infrastructure loans</li> <li>▪ Syndicate loans</li> <li>▪ Startup loans, venture capital financing, working capital financing</li> <li>▪ Project financing</li> <li>▪ Supply chain financing</li> <li>▪ Invoice financing</li> <li>▪ Receivable financing</li> <li>▪ Letters of Guarantees</li> </ul> <p>2.2 Trade finance</p> <ul style="list-style-type: none"> <li>▪ Roles of banks in international trade finance</li> <li>▪ Methods of payment</li> <li>▪ Documentary credits</li> <li>▪ Documentary collections</li> <li>▪ Import financing</li> <li>▪ Export financing</li> <li>▪ Shipping guarantees</li> <li>▪ Bills for collections</li> </ul> <p>2.3 Other services</p> <ul style="list-style-type: none"> <li>▪ Transaction banking</li> </ul>

		2.4	<ul style="list-style-type: none"> <li>▪ SME business</li> </ul> <p>Corporate and commercial banking operations</p>
3	Private Banking	3.1	Who are private banking customers?
		3.2	<p>Private banking products</p> <ul style="list-style-type: none"> <li>▪ Structured derivatives</li> <li>▪ Private equity</li> <li>▪ Hedge funds</li> <li>▪ Commodities</li> <li>▪ Real assets</li> </ul>
		3.3	<p>Private banking services</p> <ul style="list-style-type: none"> <li>▪ Bespoke solutions</li> <li>▪ Round-the-clock market coverage</li> <li>▪ Discretionary trading</li> </ul>
4	Treasury Markets and Operations	4.1	<p>Treasury products</p> <ul style="list-style-type: none"> <li>▪ Foreign exchange contracts</li> <li>▪ Interest rate contracts</li> <li>▪ AMCM Monetary Bills</li> <li>▪ Repurchase agreements</li> <li>▪ Equities trading and margin trading</li> <li>▪ Commercial papers and bonds</li> <li>▪ Commodities</li> <li>▪ Derivatives</li> </ul>
		4.2	Treasury operations
5	Investment Banking	5.1	<p>Financing</p> <ul style="list-style-type: none"> <li>▪ IPOs</li> <li>▪ Underwriting</li> <li>▪ Debt capital markets</li> <li>▪ Asset securitisation</li> </ul>
		5.2	<p>Advisory services</p> <ul style="list-style-type: none"> <li>▪ M &amp; A</li> <li>▪ Cross border deals</li> <li>▪ Corporate finance advisory services</li> </ul>
		5.3	<p>Global trading</p> <ul style="list-style-type: none"> <li>▪ Financial product structuring</li> <li>▪ Market making</li> <li>▪ Equity sales and trading</li> </ul>

**Chapter 4: Financial Technology**

1	Recent Developments in FinTech		
2	FinTech Products	2.1 2.2 2.3	Payments Investment Financing
3	The Technology behind FinTech	3.1 3.2 3.3 3.4	Cloud computing Big data analytics Artificial intelligence Blockchain
4	Risk and Risk Management	4.1 4.2 4.3	- Risk - Data and Cyber security - Regulation

## **E. Recommended Readings**

### ***Essential Readings:***

HKIB Study Guide – Fundamentals of Banking (Macao) (2019)

### ***Supplementary Readings:***

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

### ***Further Readings:***

#### **For the whole modules**

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

#### **For Chapter 1**

1. Dirk Schoenmaker (2013). Governance of International Banking: The Financial Trilemma. Oxford University Press.
2. Douglas Arner, Berry Hsu, Say H. Goo, Syren Johnstone, Paul Lejot, Maurice Kwok-Sang Tse (2016). Financial Markets in Hong Kong: Law and Practice (2nd ed.). Oxford University Press.
3. Frank Fabozzi, Franco Modigliani, Frank Jones (2013). Foundations of Financial Markets and Institutions (4th ed.). Pearson New International Edition.
4. Simon S. M. Ho, Robert Haney Scott, Kie Ann Wong (2016). The Hong Kong Financial System: A New Age (Economics & Finance) (2nd ed.). International Business Books.
5. Roberto Baldoni, Gregory Chockler (2012). Collaborative Financial Infrastructure Protection: Tools, Abstractions, and Middleware. Springer Berlin Heidelberg.

#### **For Chapter 2**

1. Douglas Arner, Berry Hsu, Say H. Goo, Syren Johnstone, Paul Lejot, Maurice Kwok-Sang Tse (2016). Financial Markets in Hong Kong: Law and Practice (2nd ed.). Oxford University Press.

2. Hong Kong Banking System & Practice (4th ed.). Hong Kong Institute of Bankers
3. Linda Allen and Anthony Saunders (2012). Risk Management in Banking (1st ed.). The Oxford Handbook of Banking.
4. Lindblom, T., Sjögren, S., Willeson, M (2014). Financial Systems, Markets and Institutional Changes (1st Ed.). Palgrave Macmillan UK.

### **For Chapter 3**

1. Douglas Arner, Berry Hsu, Say H. Goo, Syren Johnstone, Paul Lejot, Maurice Kwok-Sang Tse (2016). Financial Markets in Hong Kong: Law and Practice (2nd ed.). Oxford University Press.
2. Peter Lake (2017). The Banking Regulation Review – Hong Kong Edition 8. Slaughter and May – London.
3. Lindblom, T., Sjögren, S., Willeson, M (2014). Financial Systems, Markets and Institutional Changes (1st Ed.). Palgrave Macmillan UK.
4. Linda Allen and Anthony Saunders (2012). Risk Management in Banking (1st ed.). The Oxford Handbook of Banking.

### **For Chapter 4**

1. Arner, Douglas W., János Barberis, and Ross P. Buckley (2015). The evolution of Fintech: A new post-crisis paradigm. *Geo. J. Int'l L.*47 (2015): 1271.
2. Chishti, S. and Barberis, J. (2016). *The FINTECH Book: The Financial Technology Handbook for Investors, Entrepreneurs and Visionaries*. John Wiley & Sons.
3. Jackson, James (2017). *Fintech: Simple and Easy Guide to Financial Technology* (1st ed.). CreateSpace Independent Publishing Platform
4. Rubini, Agustin (2017). *Fintech in a Flash: Financial Technology made Easy* (1st ed.). CreateSpace Independent Publishing Platform.
5. Sironi, Paolo (2016). *FinTech Innovation: From Robo-advisors to Goal Based Investing and Gamification*. Wiley.
6. Skinner, Chris (2016). *Valuweb: How Fintech Firms are Using Mobile and Blockchain Technologies to Create the Internet of Value*. Marshall Cavendish.



## **4. Learning Support**

### **4.1 E-learning Resources**

HKIB supports you to build the relevant knowledge you need to further your professional development covering a wide spectrum of areas like Banking, Accounting, Insurance and Risk Management. It provides you over 500 online courses organized into 51 course libraries with over 700 learning and assessment hours for selection. 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.

Each course counts towards the CPD annual requirement set out by HKIB. 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.

### **4.2 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 your learning. Please visit HKIB websites regularly for more details.

## 5. Programme Enrolment

### 5.1 Programme Schedule

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

### 5.2 Medium of Instruction

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

### 5.3 Training Duration

Advanced Diploma for Certified Banker	
Training Delivery Mode	Face to face classroom Training Or Virtual Classroom Training
Training Duration	All modules are at <b>12</b> classroom contact hours (except ECF on AML/CFT Macao at <b>24</b> contact hours)

### 5.4 Learning Effort

Candidates are advised to spend for each module:

- i) Advanced Diploma: **100** notional learning hours are required for each module (except ECF on AML/CFT Macao requires **200** notional learning hours).

### 5.5 Programme Application

- ✚ Applicants can obtain the application form: (i) from MIFS website; (ii) from the HKIB website; or (iii) in person from the counter of MIFS Office during office hours
- ✚ Please ensure the information provided on the application form is true and clear. The completed application forms can be returned by fax or email, by hand or by registered mail (to avoid being lost in transit) to MIFS office on or before the corresponding enrolment deadline.
- ✚ Documents requirement for the enrolment:

(a) Non-HKIB Member:

Please submit the following documents to “Macau Institute of Financial Services”:

- Programme Enrolment Form
- “The Hong Kong Institute of Bankers” Membership Enrolment form
- ID card copy
- Proof of qualification and work experience
- Payment: Cheque or Cashier's Order

(b) Current HKIB Member:

Please submit the following documents:

- Programme Enrolment Form
- Proof of qualification and work experience
- Payment: Cheque or Cashier's Order

- ✚ HKIB and MIFS reserves the right to reject late applications and/ or any applications deemed inappropriate. Once MIFS has received the application form, NO alterations to the programme arrangement will be allowed.
- ✚ HKIB and MIFS reserves the right to change the programme dates and the enrolment deadlines at any time.
- ✚ Applicants cannot change your studying subject once selected.
- ✚ Applicants are advised to retain a copy of the completed application form for their own records.

## 5.6 Programme Fee and Payment

- ✚ Applicants should pay the programme fee:
  - By cheque or Cashier's Order (post-dated cheques will not be accepted), please write your name at the back of the Cheque or Cashier's Order. Cheques/E-cheques should be made payable to "Macau Institute of Financial Services".
- ✚ 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 5 working days prior to the programme commencement date.

- ✚ HKIB and MIFS reserves the right to adjust the programme application, study guide and/or administration surcharge fees (if applicable), at any time.

## 6. Examination Enrolment and Regulations

### 6.1 Examination Format

Module	Examination Question Format	Duration	Passing Mark
<b>Advanced Diploma Modules</b>	Multiple Choice Questions	1.5 hours (2.5 hours for ECF module)	70%

### Grading

	Advanced Diploma Modules
<b>Pass with Distinction</b>	Above 90%
<b>Pass with Credit</b>	80-90%
<b>Pass</b>	70-79%
<b>Fail A</b>	60-69%
<b>Fail B</b>	50-59%
<b>Fail C</b>	Below 50%

### 6.2 Examination Timetable

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

### 6.3 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 MIFS 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 MIFS 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) to MIFS Office. 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 deadline. 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.

#### **6.4 Examination Fee and Payment**

- ✚ The examination fee of first attempt is included in the module fee.
- ✚ If re-sit is applied, the applicants should pay the re-sit examination fee 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 2 working days of receipt of the application form. The 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.

## 6.5 Examination Attendance Notice

- ✚ Examination Attendance Notices (Attendance Notices) will be sent to candidates via email ONLY about 2 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 Macao Identity Card or Passport), which bears their current photograph.

## 6.6 Alteration / Transfer of Enrolment for the Examination

- ✚ HKIB and MIFS 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.

## 6.7 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.

## 6.8 Examination Preparation

- ✚ There are three types of recommended readings for the candidates to enrich their knowledge levels.

- ✚ **Essential readings:** *For learners to prepare for the examination*
  - ✚ **Supplementary readings:** *For learners who would like to know more about the fundamental concepts / theories of the topic*
  - ✚ **Further readings:** *For learners who would like to enhance the depth or breadth of their knowledge of the module*
- ✚ Candidates who have enrolled in the examination are required to study all the essential readings as 80% of the examination questions are from the Study Guide or Essential Readings and 20% are related to the market information. However, the candidates are expected to possess the fundamental knowledge mentioned in the supplementary readings.

## 6.9 Examination Results

- ✚ Candidates will receive Email Notification from HKIB after 2-4 weeks of the examinations.
- ✚ Candidates may check their examination results online through the HKIB online platform. The online examination results will be removed one month after they are released.
- ✚ Examination Results will be sent by post 4 to 6 weeks after the examination.
- ✚ Results will not be notified by telephone, fax or email.
- ✚ 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.

## 6.10 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.



- ✚ 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 re-enter 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.

## 7. Bad Weather Arrangements

In the event of bad weather on the training class/ examination day, candidates should visit HKIB website at [www.hkib.org](http://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 by Hong Kong Observatory or Macao Meteorological and Geophysical Bureau at **5:00am** or later on the day of a training class or an examination, all training sessions and examination will be 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, MIFS 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 and MIFS reserves the right to postpone, cancel and/or reschedule any training class/ examination.

## **8. 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. HKIB 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.

### **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.

## **Appendix: 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 fulfil 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.

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.

## 9. Contact Information

<b>Macau Institute of Financial Services:</b>	
Address :	Avenida Sidónio Pais No.1B, Edifício Tong Hei Koc, R/C
Telephone :	(853) 2856 8280
Fax :	(853) 2856 9666
Email address :	<a href="mailto:ifs@macau.ctm.net">ifs@macau.ctm.net</a>
Website :	<a href="http://www.ifs.org.mo">www.ifs.org.mo</a>

<b>The Hong Kong Institute of Bankers:</b>	
Address :	3/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Telephone :	(852) 2153 7800
Fax :	(852) 2544 9946
Email address :	<a href="mailto:programme.mo@hkib.org">programme.mo@hkib.org</a>
Website :	<a href="http://www.hkib.org">http://www.hkib.org</a>



## Application / Enquiries

### Macau Institute of Financial Services (MIFS)

Tel: (853) 2856 8280

Fax: (853) 2856 9666

Email: [ifs@macau.ctm.net](mailto:ifs@macau.ctm.net)

Website: [www.ifs.org.mo](http://www.ifs.org.mo)

In-person: Avenida Sidónio Pais  
No.1B, Edifício Tong  
Hei Koc, R/C  
Macau

### The Hong Kong Institute of Bankers (HKIB)

Tel: (852) 2153 7800

Fax: (852) 2544 9946

Email: [programme.mo@hkib.org](mailto:programme.mo@hkib.org)

Website: <http://www.hkib.org>

In-person: 3/F Guangdong Investment  
Tower, 148 Connaught Road  
Central, Hong Kong