# Guideline for ECF on Fintech Grandfathering

## Introduction

This document is developed to provide more specific guidelines for the grandfathering application of the ECF on Fintech at Core and Professional Levels. It includes information related to (A) Eligibility Criteria, (B) Application Procedure for Grandfathering, (C) CPFinT(A), CPFinT(M), CPFinT (S-AIBD), CPFinT (S-DLT), CPFinT (S-OBAPI) & CPFinT (S-RT) Certification Requirements and (D) Appeal Arrangement.

## A. Eligibility Criteria

### 1. Scope of Application and Relevant Practitioner

The Enhanced Competency Framework (ECF) on Fintech is targeted at "Relevant Practitioners (RPs)", engaged by an **Authorized Institution (AI)** [1] . The ECF on Fintech is intended to apply to staff whose primary responsibilities involve technological innovation for financial services in an AI in Hong Kong.

Specifically, it is aimed at RPs located in the Hong Kong office of an AI whose primary responsibilities are to perform one or multiple job roles listed in the table below.

| Job Roles | Role Description (Core Level) | Role Description (Professional Level) |
|---|---|---|
| Role 1 – Fintech Solution Development | Design, develop, test, and deliver the core functional and technical aspects of Fintech solutions for the AI.   Work closely with cross-functional teams, and coordinate projects on Fintech solutions throughout the software development lifecycle. | Provide expert advice on Fintech applications.   Work with cross-functional teams to build and implement Fintech solutions for the AI. |
| Role 2 – Fintech Product Design | Design and develop new Fintech products with innovative features and | Oversee the design, development, and management of Fintech products and ensure products' |

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

| | functionalities driven by user needs or market forces. | alignment with the AI's overall Fintech strategic direction and product compliance. |
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| Role 3 – Fintech Strategy and Management | Assist in the research and execution of Fintech strategy, and manage the Fintech initiatives of the AI in collaboration with internal stakeholders and external vendors and partners. | Drive Fintech agenda within the AI, and provide strategic direction for the AI's Fintech initiatives. |
| Role 4 – Regtech | Assist in Regtech research, use case formulation, regulatory and business requirements consolidation, vendor selection and Regtech solution development, etc. along the Regtech adoption journey to enhance the efficiency and effectiveness of the AI's risk management and regulatory compliance. | Lead and drive the design, development and implementation of Regtech solutions and the change management to ensure alignment with the AI's overall Regtech strategy and realisation of benefits of Regtech. |

The definition of RPs has taken into account differences among AIs in how Fintech practitioners are assigned within their organisational structure and job design (e.g., as an independent Fintech unit within the AI's back-office function or as part of a more comprehensive strategy which involves experts from the product design/development team, operations team, technology team, and/or risk and compliance team). Functional roles rather than the functional titles of staff members should be essential in considering whether the definition of RPs is met. To facilitate the determination of whether a staff member falls under the scope of RPs, please refer to the key roles/tasks outlined in Annex 1 which is quoted from the HKMA circular on "Guide to Enhanced Competency Framework on Fintech".

It should be noted that the ECF on Fintech is not intended to cover staff members performing the following functions:

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(a) Practitioners Staff performing supporting roles or similar incidental roles for Fintech functions and projects within an AI, including but not limited to IT-related functions (e.g., IT helpdesk operations, IT support), compliance, and finance functions, are outside the scope of the ECF on Fintech at this stage.

(b) Staff performing cybersecurity-related functions (e.g., IT security operations and delivery, IT risk management, IT audit) as they are already subject to the ECF on Cybersecurity. Please refer to the HKMA's Guide to ECF on Cybersecurity for details of these roles.

(c) Staff in Fintech-related functions performing solely clerical and administrative duties or other incidental functions.

(d) Staff with minimal exposure to tasks involving Fintech.

(e) Senior Staff who are only end-users of Fintech solutions such as relationship managers and officers, credit approval officers, and transaction monitoring officers.

For the avoidance of doubt, a staff member is not required to work full time in Fintech-related functions or perform all the key tasks specified in the job description in order to be classified as an RP. AIs are expected to adopt a principles-based approach when determining whethera staff member falls within the definition of RP for the ECF on Fintech by assessing the significance of the Fintech-related role performed by the staff member. If a staff member's job responsibility covers a majority of the key tasks detailed in ECF on Fintech's role description,such RP is considered within scope. AIs should be able to justify decisions made in this regard.

Please refer to the HKMA circular on "Guide to Enhanced Competency Framework on Fintech" dated 3 December 2021 for more details.

## 2. Grandfathering Requirements

A RP may be grandfathered on a one-off basis based on his or her years of qualifying work experience and/or professional qualification. Such work experience need not be continuous. The detailed grandfathering requirements are as follow:

(a) Core Level

- At least 3 years of relevant work experience* in Fintech projects and/or any of the

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functions as specified in Annex 1;
- Employed by an AI at the time of application.


(b) Professional Level (Management Track)

- At least 6 years of relevant work experience* in Fintech projects and/or any of the functions as specified in **Annex 1**, of which at least 3 years are gained from respective Professional Level job roles;
- Employed by an AI at the time of application.


(c) Professional Level (Specialist Track)

- At least 6 years of relevant work experience* in Fintech projects and/or any of the functions as specified in **Annex 1**, of which at least 3 years are gained from respective Professional Level job roles;
- Employed by an AI at the time of application.


The majority of work experience gained from different job roles will affect the certification title (i.e., CPFinT(M) or CPFinT(S)) upon grandfathering for Professional Level. For example, RPs with a majority of work experience gained from Role 2 – Fintech Product Design and/or Role 3 – Fintech Strategy and Management will be granted the CPFinT(M) certification, while RPs with a majority of work experience gained from Role 1 – Fintech Solution Development will be granted the CPFinT(S) certification. Moreover, the RPs who are granted the CPFinT(S) certification will also be designated a specialist stream depending on whichspecialist area they have acquired the majority of their work experience.

RPs who have sufficient work experience in two or more job roles can be granted both the CPFinT(M) certification and CPFinT(S) certification (e.g., 6 years in Role 2/Role 3 and 6 years in Role 1/Role4).


*In general, HKIB will consider whether the nature of work experience is substantially the same as that described in the Fintech Role 1, Role 2, Role 3 and Role 4 in Annex 1 of the Guide to Enhanced Competency Framework on Fintech". Relevant work experience may be obtained from AIs and/or*

_non-bank financial institutions. As for work experiences related to Fintech gained from other non-banking industries, they will be considered on a case-by-case basis._

Existing RPs who meet the above criteria can submit their grandfathering applications to the HKIB from 1 April 2022 to 31 March 2023. A one-off grandfathering fee will apply.

For other individuals who have the relevant work experience but are not working in an AI during the grandfathering period, they may submit their applications to the HKIB for grandfathering within three months from the date of joining the Fintech function of an AI and becoming a RP. However, they should have met all the applicable grandfathering criteria on or before 31 March 2023 as prescribed above.

Applications for grandfathering are handled and assessed by the HKIB. The HKIB may request for the applicant to provide employment records or additional information to substantiate the application for grandfathering. Late application will not be accepted.

Upon grandfathering, the RP is required to apply for CPFinT(A) or CPFinT(M) or CPFinT(S) and to renew the relevant certification annually with the HKIB.

## B. Application Procedure for Grandfathering

Please follow the application procedure as listed below:
(a) Complete all necessary fields in the relevant Grandfathering and/or Certification Application Form for ECF on Fintech, including applicant's signature and HR endorsement in relevant sections.
- For Core Level: FIN-G-009:
- For Professional Level: FIN-G-010

_Note: Applicant is encouraged to apply for both Grandfathering and Certification at one time by using the above Application Form. Please also read the Guidelines for ECF on Fintech Certification (FIN-G-008) if Grandfathering and Certification are applied at the same time._

(b) Obtain the endorsement from the Human Resources Department (HR) of the concerned Authorized Institution(s) by obtaining his/her signature and company chop on the Annex of the Grandfathering and/or Certification Application Form – HR Department

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Verification Form on Key Roles/Responsibilities for Fintech Practitioners. Application is only accepted with HR verification.

**(c)** Applicant is required to fill in **ONE** completed HR Verification Annex form for **EACH** relevant position/functional title in the application.

AIs are expected to support their staff to apply for grandfathering and certification. Regarding information related to a Relevant Practitioner's previous employment(s), the current employer is encouraged to provide necessary assistance to Relevant Practitioners in the latter's applications for grandfathering or ECF certification (e.g., confirming whether such information is consistent with the curriculum vitae provided by the Relevant Practitioner at the time of job application).

If required, the HKIB may request the applicant to provide employment records or additional information to substantiate the application for grandfathering.

(d) Read the Privacy Policy Statement set out on the HKIB website before submitting the application.

(e) Send the completed Application Form with the HR department's endorsement, relevant supporting documents (e.g., certified true copies of your HKID/Passport, copies of your examination result or a grandfathered approval letter for relevant Certificate for ECF on Fintech), cheque/payment evidence to HKIB within the required time frame.

- Grandfathering Application Period
  The HKIB will accept an application for grandfathering by current Relevant Practitioners of AIs from **1 April 2022**. Completed application with all required supporting documents must be submitted to the HKIB office. The deadline for application will be **31 March 2023**. Late submission, applications with incomplete information, and applications by fax/email will **NOT** be accepted.

- Fee Payable
  For details, please refer to the Fee Table of the Grandfathering Application Form for ECF on Fintech.

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- Payment Method
  - Paid by Employer
  - A crossed cheque or e-cheque made payable to "**The Hong Kong Institute of Bankers**".   Postdated cheques will not be accepted
  - Credit card (Visa or Mastercard)

- Submission of Application

  Please complete and submit the **SIGNED** Application Form together with the required documents via email to cert.gf@hkib.org or by post/in-person to The Hong Kong Institute of Bankers (HKIB) at the following address:

  "Application for ECF on Fintech Grandfathering/Certification"
  Department of Professional Assessment and Certification
  The Hong Kong Institute of Bankers
  3/F Guangdong Investment Tower,
  148 Connaught Road, Central, Hong Kong
  *Note: Please ensure sufficient postage is provided when sending out the required documents.*

  Or you can complete and submit the e-Form in the Application and Info Centre on our website: https://www.hkib.org/page/126.

- Approval

  It is expected to take **60 days** for the HKIB to process grandfathering applications with the completed submission of documents and information under normal circumstances. If certification is also applied together with grandfathering by using the combined application form, the processing time will be around **120 days**.

  Once grandfathering and/or certification has been granted, the Relevant Practitioner will be notified via email.

  *Note: The approval of grandfathering is subject to the final decision of the HKIB.*

Please refer to the respective Grandfathering and/or Certification Application Forms for ECF on Fintech (FIN-G-009 and FIN-G-010) for details and read the Privacy Policy Statement set out on the HKIB website before applying.

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## C. CPFinT(A), CPFinT(M) and CPFinT(S) Certification Requirements

For details, applicants can refer to the Guideline for ECF on Fintech Certification (FIN-G-008).

## D. Appeal Arrangement

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

(a)     Grandfathering Appeal Procedure

Applicants may request in writing for any appeal against their grandfathering result **within 1 month** after the issuance of grandfathering declination letter. An administrative fee would be applied. Late appeal applications will not be accepted.

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

It is expected to take **90 days** for HKIB to process grandfathering appeal application under normal circumstances. The appellant will be notified of the decision by the Appeal Committee in writing and a document will be signed by the Head of Professional Assessment & Certification and Certified Banker of HKIB as a record.   Applicants will be informed of their appeal results by post and/or email and with written notice for an approved case.

(b)     Fee Payable

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

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## Annex 1: ECF on Fintech: Key Roles and Tasks for Relevant Practitioners
(Quoted from the Annex 1 "[Guide to Enhanced Competency Framework on Fintech](#)")

| | Core Level |
|---|---|
| **Role 1**<br>**Fintech**<br>**Solution**<br>**Development** | *Examples of functional titles:*<br>*AI Developer, Data Scientist, Cloud Specialist* |
| | Key Tasks:<br>1. Keep abreast of latest Fintech developments including Fintech products, innovative tools and solutions, emerging technologies, and best practices<br>2. Analyse Fintech application use cases and business requirements, and formulate technical specifications for Fintech applications and solutions<br>3. Develop Proof-of-Concept and coordinate the evaluation process<br>4. Assist in technical design, development, integration and implementation of Fintech solutions and applications<br>5. Use some advanced and specialised skills in support of test plan, test cases/scripts, test environments, test data and perform testing<br>6. Work closely in a team environment and meet Fintech project schedules |
| **Role 2**<br>**Fintech**<br>**Product**<br>**Design** | *Examples of functional titles:*<br>*Digital/Fintech Product Analyst, UI/UX Analyst* |
| | Key Tasks:<br>1. Design and develop Fintech products in response to the rapidly changing business environment and user needs<br>2. Use some advanced and specialised skills to analyse the needs and opportunities for new Fintech products to improve user experience<br>3. Propose Fintech product development strategies and participate in the product management cycle<br>4. Compile metrics to meet business needs and objectives<br>5. Collaborate with different business units to understand their priorities and elaborate requirements on features and functionalities for Fintech products<br>6. Exercise appropriate judgment in recommending applicable regulatory and business requirements for product compliance |
| **Role 3**<br>**Fintech**<br>**Strategy**<br>**and**<br>**Management** | *Examples of functional titles:*<br>*Digital Transformation Analyst, Fintech/Digital Strategy Officer, Business Analyst (Innovation and Fintech)* |
| | Key Tasks:<br>1. Study the capabilities of emerging technologies and identify opportunities to improve banking operations and products by formulating and demonstrating use cases of technologies<br>2. Keep abreast of the latest Fintech regulatory requirements, industry initiatives, and best practices<br>3. Analyse and study business objectives and requirements on Fintech development<br>4. Follow up, monitor and support the AI's Fintech strategic initiatives and business/partnership development<br>5. Drive Fintech initiatives/projects and act as the key interface between external parties, business users, and technical teams in support of project co-ordination |

| Role 4<br>Regtech | *General job description:*<br>*A group of emerging job roles from different functions (e.g. risk and compliance, technology and business functions) within an AI that are primarily involved in the use of technologies in the development and application of Regtech solutions to enhance the efficiency and effectiveness of risk management and regulatory compliance.* |
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| | Key Tasks:<br>1.  Observe the development around best practices for the use of Regtech<br>2.  Assist in drafting and revising policies and guidelines taking into account regulatory requirements and technology development to ensure adherence to the best practices for Regtech application<br>3.  Keep abreast of the capabilities of emerging technologies and identify opportunities and use cases for Regtech to transform risk management and regulatory compliance<br>4.  Assist in performing gap analysis of Regtech maturity, taking into consideration the advancement in innovative technologies<br>5.  Conduct Regtech vendor solution assessment and regulatory and business requirement Conversion<br>6.  Assist in the development of Regtech solutions/proof-of-concepts |

| **Professional Level** ||
|---|---|
| Role 1<br>Fintech<br>Solution<br>Development | *Examples of functional titles:*<br>*Senior AI Engineer, Senior Cloud Specialist, Lead Data Scientist, Data Analytics Manager, Data Engineer* |
| | Key Tasks:<br><br>1.   Take ownership of know-how on specific Fintech domain(s), techniques, models, and<br><br>    frameworks<br><br>2.   Provide advice on the architecture design of Fintech projects across the AI<br><br>3.   Guide the technical requirements and design of Fintech solutions for Fintech projects<br><br>4.   Lead the development and implementation of in-house Fintech solutions for Fintech<br><br>    projects<br><br>5.   Work closely with product team, risk team and end users to ensure technical<br><br>    compatibility, compliance with standards (such as internal coding standards and security<br><br>    standards), sound risk control and good customer experience<br><br>6.   Ensure software development life cycle is in compliance with the information security<br><br>    and cyber resilience standards of the AI |
| Role 2<br>Fintech<br>Product<br>Design | *Examples of functional titles:*<br>*Digital/Fintech Product Manager, Fintech Product Lead* |
| | Key Tasks:<br><br>1.   Keep abreast of latest market trends, analyse customers' behavior, key financial drivers<br><br>    and competitors' strategy to maintain competitiveness in the market<br><br>2.   Drive Fintech product development and enhancement to meet business objectives and |

|  | user needs |
|---|---|
|  | 3. Formulate Fintech product strategy and create key metrics to track outcome after product release |
|  | 4. Work closely with different business units to prioritise Fintech product features and formulate product roadmap |
|  | 5. Ensure the development of Fintech products is in compliance with the information security and cyber resilience standards of the AI |
|  | 6. Provide risk control advice on applicable regulatory and business requirements |
| Role 3<br><br>Fintech<br><br>Strategy<br><br>and<br><br>Management | *Examples of functional titles:*<br>*Strategy Manager, Digital Transformation Manager, Fintech and Partnership Manager,*<br>*Fintech/Digital Project Manager* |
|  | Key Tasks:<br>1. Formulate strategic directions for the AI's future growth<br>2. Drive Fintech initiatives and lead a team to act as interface between cross-functional teams in Fintech implementation projects<br>3. Collaborate with development team and business units in the planning, design, development, and deployment of Fintech solutions across the AI<br>4. Lead cost-benefit and return on investment analyses for proposed solutions to assist senior management in making implementation decisions<br>5. Engage with the external Fintech ecosystem to explore potential collaborations and opportunities<br>6. Ensure the development of Fintech products is in compliance with the information security and cyber resilience standards of the AI |
| Role 4<br><br>Regtech | *General job description:*<br>*A group of emerging job roles from different functions (e.g. risk and compliance, technology and business functions) within an AI that are primarily involved in leading and driving the design, development and implementation of Regtech solutions to ensure alignment with the AI's overall Regtech strategy and realisation of benefits of Regtech.* |
|  | Key Tasks:<br><br>1. Define, implement and be accountable for the Regtech adoption life cycle (e.g. RegTech strategy and governance)<br><br>2. Lead the change management and transformation to accomplish the successful Regtech initiative delivery in areas including but not limited to data analytics, agile practices, vendor selection, and IT infrastructure integration. In particular, identify and collaborate with internal and external stakeholders to ensure successful implementation of Regtech solutions<br><br>3. Keep abreast of emerging technologies and best practices development in different application areas (e.g. technology-related risk management, conduct risk management, and customer protection) relevant to Regtech adoption of AIs<br><br>4. Advise risk and compliance function on robust organisational risk management policies and guidelines and best professional practices in areas including but not |

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| | limited to cyber risk, market and liquidity risk, credit risk and customer data and privacy<br><br>5.  Advise on the potential Regtech application areas (e.g. maintaining obligation inventory, cross-border and local regulatory compliance, horizon scanning, and operational resilience) which could present opportunities to realise benefits for AIs' risk management and regulatory compliance |
|---|---|