

# CB Programme Handbook 2024

## Certified Banker

### Syllabus, Regulations and General Information

CB (Stage I)

CB (Stage II)

## Certified Banker (CB Stage)

CB (Stage II)

CB (Stage I)

### QF Level 6

CB Stage is recognised under the QF  
at Level 6. (QR Registration No.:  
20/000543/L6) Validity period:  
1/8/2020 – 31/7/2025



**CERTIFIED  
BANKER**

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## Appendix: Privacy Policy Statement

# 1. Introduction

## A. *Benchmark for Professional*

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

## B. *Overview of the Hong Kong Institute of Bankers*

Since 2012, all HKIB's Professional Qualification Programmes (PQPs) have been accredited through Learning Programme Accreditation (LPA) exercises conducted by the statutory accrediting body, the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) which are pitched at QF Levels 4 to 6 under the Hong Kong Qualifications Framework (HKQF). In 2020, the HKIB stepped forward being appointed as a Professional Qualifications Assessment Agency (PQAA) by the Secretary for Education (SED) for HKIB's nine Professional Qualifications which are recognised under the Hong Kong Qualifications Framework (HKQF) and registered in the Qualifications Register (QR). The appointment of PQAA by SED demonstrates HKIB's capability of delivering outstanding standard of professional qualification assessment in the Banking industry in Hong Kong.

## C. *Qualifications Framework (QF)*

In order to ensure sustainable manpower development amidst the rapidly changing world, the Education Bureau (EDB) of the Government of the Hong Kong Special Administrative Region (HKSAR) officially launched the Qualifications Framework (QF) in Hong Kong on 5 May 2008.

The QF in Hong Kong (HKQF) is a seven-level hierarchy covering qualifications in the academic, vocational and professional as well as continuing education sectors to promote and support lifelong learning with a view to continuously enhancing the quality, professionalism and competitiveness of our workforce in an increasingly globalised and knowledge-based economy. Qualifications recognised under the QF are quality assured and level-rated in accordance with objective and well-defined standards.

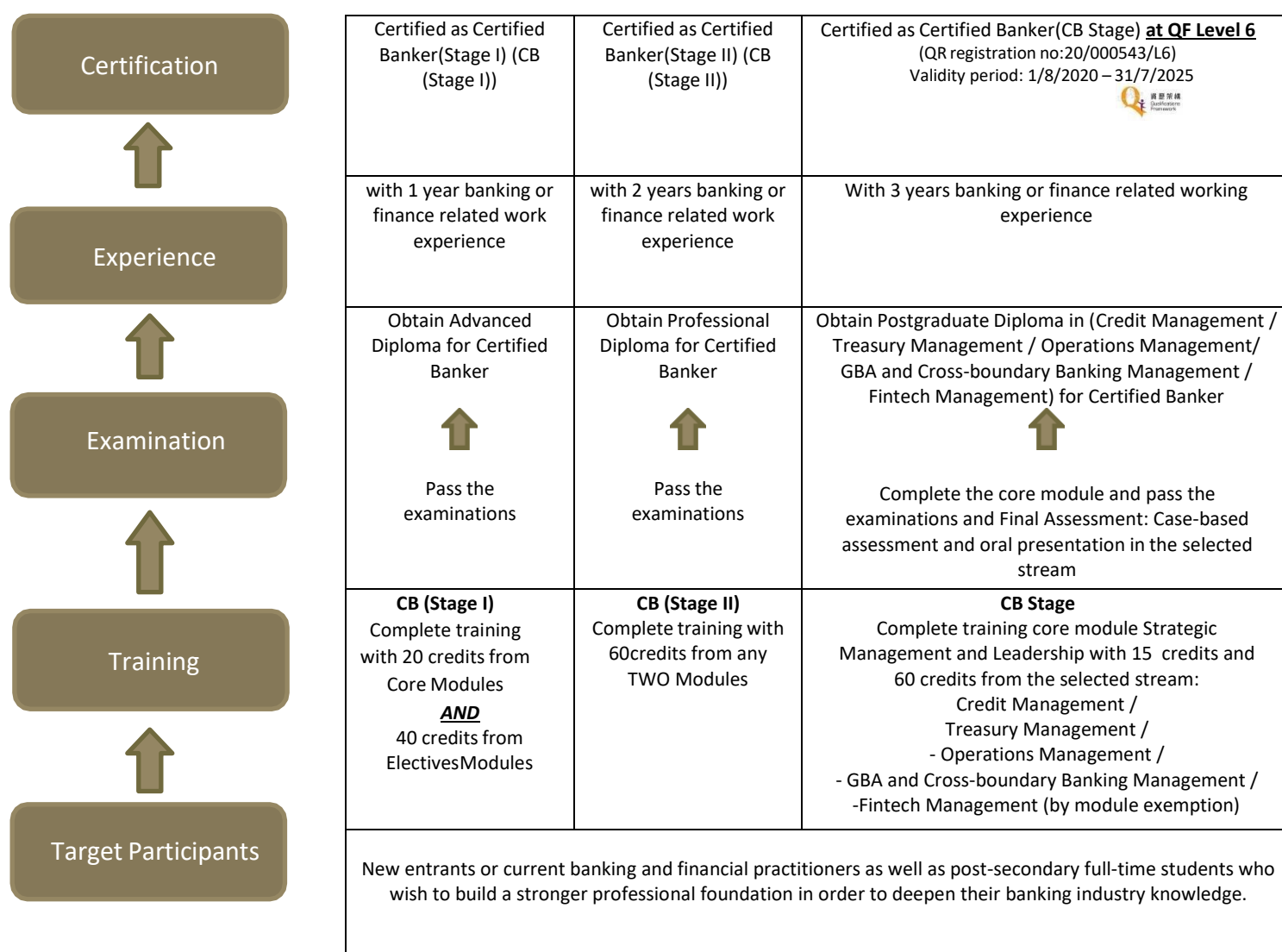
Certified Banker contains three programmes in progressive levels. Learners should attempt the programme progressively according to their academic background and related work experience. The Postgraduate Diploma for Certified Banker has been quality assured by the Hong Kong Council for Accreditation of Academic and Vocational Qualification (HKCAAVQ) and are recognized under the Qualifications Framework (QF). Their learning contents are encompassing all relevant Units of Competency (UoCs) drawn from the SCS of banking industry.

Programme	Award	Professional Qualifications
Certified Banker (CB Stage)	Postgraduate Diploma for Certified Banker	CB Stage (QF Level 6) (QR Registration No.: 20/000543/L6)
Certified Banker (Stage II)	Professional Diploma for Certified Banker	CB (Stage II)
Certified Banker (Stage I)	Advanced Diploma for Certified Banker	CB (Stage I)

#### D. ECF Modules Integrated

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

#### E. Becoming a Certified Banker (CB)



## 2. Programme Structure

### 2.1 Programme Pathway

#### CB Pathway

CB Stage  
CORE+ELECTIVE  
SPECIALIST  
STREAM

**CB**  
Certified Banker  
(CB Stage)  
<QF Level 6>\*

With 3 years banking or finance related working experience

Postgraduate Diploma for Certified Banker (Stream-Specific)

Final Case Study Assessment and Oral Assessment

Core Module: Strategic Management and Leadership (Credit: 15)

Credit Management	Treasury Management	Operations Management	GBA and Cross-boundary Banking Management	Fintech Management
<ul style="list-style-type: none"> <li>✧ ECF-CRM (Professional Level) – Commercial Lending<sup>7</sup> (Credit: 30)</li> <li>✧ ECF-CRM (Professional Level) – Credit Portfolio Management<sup>7</sup> (Credit: 30)</li> </ul>	<ul style="list-style-type: none"> <li>✧ Bank Asset and Liability Management (Credit: 30)</li> <li>✧ Treasury Markets and Operations (Credit: 30)</li> </ul>	<ul style="list-style-type: none"> <li>✧ Banking Law and Practice (Credit: 30)</li> <li>✧ Operational Risk Management (Credit:30)</li> </ul>	<ul style="list-style-type: none"> <li>✧ GBA Banking Compliance and Cross-boundary Wealth Management (Credit: 30)</li> <li>✧ Cross-boundary Banking Strategy and Management (Credit: 30)</li> </ul>	<ul style="list-style-type: none"> <li>✧ ECF-Fintech (Professional Level)<sup>14</sup> (Credit: 60)</li> </ul>

#### CB (Stage II)

(with 2 years banking or finance related working experience)

Professional Diploma for Certified Banker CB (Stage II)

Obtain 60 credits from any TWO modules

<ul style="list-style-type: none"> <li>✧ Green Finance and Sustainability (Credit: 30)</li> <li>✧ Corporate Finance Services (Credit: 30)</li> <li>✧ Finance of International Trade (Credit: 30)</li> <li>✧ Technology Management and Innovation in Banking (Credit:30)</li> </ul>	<ul style="list-style-type: none"> <li>✧ ECF-RWM (Professional Level)<sup>1</sup> (Credit: 30)</li> <li>✧ ECF-AML/CFT (Professional Level)<sup>2</sup> (Credit: 30)</li> <li>✧ ECF-CRM (Core Level)<sup>6</sup> (Credit: 30)</li> <li>✧ ECF-ORM (Professional Level)<sup>9</sup> (Credit: 30)</li> <li>✧ ECF-Fintech (Core Level)<sup>11</sup> (Credit: 30)</li> <li>✧ ECF-Compliance (Professional Level)<sup>12</sup> (Credit: 30)</li> </ul>
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#### CB (Stage I) CORE + ELECTIVE

(with 1 year banking or finance related working experience)

Advanced Diploma for Certified Banker CB (Stage I)

Obtain 20 credits from Core and 40 credits from Elective modules

Core Module	Elective Module
<ul style="list-style-type: none"> <li>✧ Future Banking and ESG (FBESG) (Credit: 10)</li> <li>✧ Professional Ethics and Compliance (Credit: 10)</li> </ul>	<ul style="list-style-type: none"> <li>✧ Fundamentals of Accounting (Credit: 10)</li> <li>✧ Introduction to Banking Law (Credit: 10)</li> <li>✧ Introduction to People Management Skills (Credit: 10)</li> <li>✧ Risk Management (Credit: 10)</li> <li>✧ Qualification Certificate of Banking Professional (QCBP)<sup>8</sup> (Credit 10)</li> <li>✧ ECF-Treasury Management (Core Level)<sup>3</sup> (Credit: 10)</li> <li>✧ ECF-AML/CFT (Core Level)<sup>4</sup> (Credit: 20)</li> <li>✧ ECF-Cybersecurity (Core Level)<sup>5</sup> (Credit: 20)</li> <li>✧ ECF-ORM (Core Level)<sup>10</sup> (Credit 20)</li> <li>✧ ECF-Compliance (Core Level)<sup>13</sup> (Credit: 20)</li> </ul>

### Notes:

1. For exemption only. Holders of the Professional Certificate for ECF - Retail Wealth Management (RWM) offered by HKIB are eligible to apply for "ECF-RWM (Professional Level)" module exemption. Please refer to "[ECF-RWM](#)" for details.
2. For exemption only. Holders of the Professional Certificate for ECF - AML/CFT or respective grandfathered certificate are eligible to apply for "ECF-AML/CFT (Professional Level)" module exemption. Please refer to "[ECF-AML/CFT](#)" for details.
3. For exemption only. Holders of the Professional Certificate for ECF-Treasury Management (Core Level) (i.e., ECF-Treasury Management (Core Level)) offered by LiPACE of HKMU are eligible to apply for module exemption.
4. For exemption only. Holders of the Advanced Certificate for ECF - AML/CFT or respective grandfathered certificate (plus submission of the form – Recognising Prior Learning Assessment Criteria for ECF-AML/CFT (Core Level) are eligible to apply for module exemption. Please refer to "[ECF-AML/CFT](#)" for details.
5. For exemption only. Holders of the Advanced Certificate for ECF - Cybersecurity offered by HKIB are eligible to apply for "ECF on Cybersecurity" module exemption. Please refer to "[ECF-Cybersecurity](#)" for details.
6. For exemption only. Holders of the Core Level Training Certificate for ECF-CRM or respective grandfathered certificate are eligible to apply for ECF-CRM (Core Level) – Fundamentals of Bank Lending (M3) module exemption. Please refer to "[ECF-CRM](#)" for details.
7. For exemption only. Holders of the Professional Level Training Certificate for ECF-CRM or respective grandfathered certificate are eligible to apply for ECF-CRM (Professional Level) – Advanced Commercial Lending (M4) or ECF-CRM (Professional Level) Advanced Credit Risk Management and Regulatory Requirements (M5) module exemption. Please refer to "[ECF-CRM](#)" for details.
8. Holders of Qualification Certificate of Banking Professional (QCBP) who have passed the QCBP exam are eligible to apply for "QCBP" module exemption.
9. For exemption only. Holders of the Professional Certificate for ECF-ORM or respective grandfathered certificate are eligible to apply for ECF-ORM (Professional Level) module exemption. Please refer to "[ECF-ORM](#)" for details.
10. For exemption only. Holders of the Advanced Certificate for ECF-ORM or respective grandfathered certificate are eligible to apply for ECF-ORM (Core Level) module exemption. Please refer to "[ECF-ORM](#)" for details.
11. For exemption only. Holders of the Professional Certificate for ECF on Fintech or respective grandfathered certificate are eligible to apply for ECF-Fintech (Core Level) module exemption. Please refer to "[ECF-Fintech](#)" for details.
12. For exemption only. Holders of the Professional Certificate for ECF on Compliance or respective grandfathered certificate are eligible to apply for ECF-Compliance (Professional Level) module exemption. Please refer to "[ECF-Compliance](#)" for details.
13. For exemption only. Holders of the Advanced Certificate for ECF on Compliance or respective grandfathered certificate are eligible to apply for ECF-Compliance (Core Level) module exemption. Please refer to "[ECF-Compliance](#)" for details.
14. For exemption only. Holders of the Advanced Certificate for ECF on Fintech or respective grandfathered certificate are eligible to apply for ECF-Fintech (Professional Level) module exemption. Please refer to "[ECF-Fintech](#)" for details.

\* For CB, the Professional Qualification of CB Stage is recognised under the QF at Level 6. (QR Registration No.: 20/000543/L6) Validity period: 1/8/2020 – 31/7/2025

## 2.2 Entry Requirements

### 2.2.1 Certified Banker (Stage I)

Learners of CB (Stage I) need to fulfil ONE of the following entry requirements:

- Associate degree (AD) / Higher diploma (HD) students in any disciplines; OR
- Equivalent qualifications or above; OR
- Mature applicants\* with 3 years of relevant banking experience with recommendations from employer.

### 2.2.2 Certified Banker (Stage II)

Learners of CB (Stage II) need to fulfil ONE of the following entry requirements:

- Certified Banker (Stage I) holders\*\*; OR
- Holders of bachelor's degree in banking or finance related discipline (QF L5); OR
- Holders of bachelor's degree in any disciplines with 3 years of relevant banking experience (QF L5); OR
- Holders of associate degree / higher diploma in banking or finance (QF L4) with 3 years of relevant banking experience; OR
- Equivalent qualifications or above; OR
- Mature applicants\* with 6 years of relevant banking experience (2 years at supervisory level) with recommendations from employer.

### 2.2.3 Certified Banker (CB Stage)

Learners of CB Stage need to fulfil ONE of the following entry requirements:

- Certified Banker (Stage II) holders\*\*\*; OR
- Two ECF Certificates (QF L5) and fulfilled entry requirement for Certified Banker (Stage II); OR
- Holders of bachelor's degree in banking or finance related disciplines (QF L5) with 6 years of relevant banking experience (2 years at managerial grade); OR
- Equivalent qualifications or above; OR
- Mature applicants\* with 10 years of relevant banking experience (3 years at managerial grade) with recommendations from employer.

Remark: Learners with direct entry to Certified Banker (Stage II) or Certified Banker (CB Stage) would be required to complete two CORE modules, namely, Future Banking and ESG (FBESG) and Professional Ethics and Compliance (no exemption would be granted for this module) and pass the examination.

**\*Mature applicants (aged 21 or above) who do not possess the above academic qualifications but with relevant banking experience and recommendation from their employers will be considered on individual merit.**

**\*\*Certified Banker (Stage I) holders: refer to candidates who have already been awarded "Advanced Diploma for Certified Banker" or certified as a CB (Stage I) professional qualification holder.**





**\*\*\*Certified Banker (Stage II) holders: refer to candidates who have already been awarded "Professional Diploma for Certified Banker" or certified as a CB (Stage II) professional qualification holder.**

## 2.3 Award and Professional Qualifications

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

Award	Professional Qualifications
Postgraduate Diploma (Stream) for Certified Banker (CB Stage) - Credit Management - Treasury Management - Operations Management - GBA and Cross-boundary Banking Management - Fintech Management CB Stage Core module: Strategic Management and Leadership	Certified Banker Stage <QF Level 6> <i>(with three years banking or finance related workexperience)</i>
Professional Diploma for Certified Banker (Stage II)	Certified Banker (Stage II) <i>(with two years banking or finance related workexperience)</i>
Advanced Diploma for Certified Banker (Stage I)	Certified Banker (Stage I) (with one year banking or finance related work experience)

### Remarks:

-  To facilitate public recognition of CB and acknowledge the achievement of our Professional Qualification holders, Professional Qualification holders will be registered as **Certified Individuals (CI)** of HKIB in HKIB website, and name of Professional Qualification holders will be presented on the HKIB website and also published on the Institute's journal "Banking Today".
-  To maintain the Professional Qualification status, Professional Qualification holders should fulfil the HKIB Continuing Professional Development (CPD) annual requirements for recertification.
-  No CPD is required for Professional Qualification holders in the year when respective Certification is granted
-  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 from Membership web page in HKIB website.

## 2.4 Exemption

### 2.4.1 Exemption Criteria

- Module exemption applications are accepted for recognised qualifications (i.e. pre-approved qualifications e.g. Mutual of Understanding with HKIB).
- Individual qualifications will be assessed on a case-by-case basis if **over 70%** of the Institute's syllabus is covered.
- Applicants with appropriate qualification(s) may apply module(s) exemption with exemption ceiling as required.
  - Advanced Diploma for Certified Banker (Stage I): **75%** (with non-HKIB programmes no more than 50%) of total credits.
  - Professional Diploma for Certified Banker (Stage II): **100%** of total credits
- For CB Stage (QF Level 6), Credit Management stream, Fintech Management stream and Part A of the core module "Strategic Management and Leadership" can be exempted if applicable. However, Part B of the core module "Strategic Management and Leadership" and the Final Assessment: Case-based assessment and oral presentation are still required. Holders of respective ECF grandfathered certificates need to pass a written assessment developed by the HKIB before participating in the Final Assessment: Case-based assessment and oral presentation.
- The core module of Advanced Diploma for Certified Banker (Stage I): "Professional ethics and compliance" cannot be exempted.

### 2.4.2 Exemption Application

- To apply for exemption, the applicant should submit the **Completed Certified Banker (CB) - Module Exemption Application Form** which can be downloaded from the HKIB website together with all relevant documentary evidence for his/her qualifications (i.e. certificates, official transcripts, etc.) together.
- The photocopies of the documents must be certified as true copies by either one of the following bodies:
  - (i) The Hong Kong Institute of Bankers; or
  - (ii) Current employer's HR Department; or
  - (iii) Liaison Officer (District Offices), Home Affairs Department of the HKSAR

Remarks

- The application fee and exemption fee will be waived for the exemption as stated below:
  - ✓ The elective module of Advanced Diploma for Certified Banker (Stage I): “ECF-AML/CFT (Core)” can be exempted by using the Advanced Certificate for ECF on Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) or the respective grandfathered certificate with the form – Recognising Prior Learning Assessment Criteria for ECF-AML/CFT (Core Level).
  - ✓ The elective module of Advanced Diploma for Certified Banker (Stage I): “ECF on Cybersecurity” can be exempted by using the Advanced Certificate for ECF on Cybersecurity.
  - ✓ The elective module of Professional Diploma for Certified Banker (Stage II): “ECF-RWM (Professional Level)” can be exempted by using the Professional Certificate for ECF on Retail Wealth Management (RWM) provided by HKIB.
  - ✓ The elective module of Professional Diploma for Certified Banker (Stage II): “ECF-AML/CFT (Professional)” can be exempted by using the Professional Certificate for ECF on Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) or the respective grandfathered certificate.
  - ✓ The elective module of Professional Diploma for Certified Banker (Stage II): “ECF-CRM (Core Level) – Fundamentals of Bank Lending (M3)” can be exempted by using the Core Level Training Certificate for ECF-CRM or respective grandfathered certificate.
  - ✓ The elective module of Postgraduate Diploma for Certified Banker (CB Stage): “ECF-CRM (Professional Level) – Advanced Commercial Lending (M4)” or “ECF-CRM (Professional Level) – Advanced Credit Risk Management and Regulatory Requirements (M5)” can be exempted by using the Professional Level Training Certificate for ECF-CRM or respective grandfathered certificate after passing the written assessment developed by the HKIB.
  - ✓ The elective module of Qualification Certificate of Banking Professional (QCBP) who have passed the QCBP exam are eligible to apply for “QCBP” module exemption.
  - ✓ The elective module of Professional Certificate for ECF-ORM or respective grandfathered certificate are eligible to apply for ECF-ORM (Professional Level) module exemption.
  - ✓ The elective module of Professional Certificate for ECF-ORM or respective grandfathered certificate are eligible to apply for ECF-ORM (Core Level) module exemption.
  - ✓ The elective module of Professional Certificate for ECF-Fintech or respective grandfathered certificate are eligible to apply for ECF-Fintech (Core Level) module exemption.
  - ✓ The elective module of Professional Certificate for ECF-Compliance or respective grandfathered certificate are eligible to apply for ECF- Compliance (Professional Level) module exemption.
  - ✓ The elective module of Advanced Diploma for ECF-Compliance or respective grandfathered certificate are eligible to apply for ECF- Compliance (Core Level) module exemption.
  - ✓ The elective module of Professional Certificate for ECF-Fintech or respective grandfathered certificate are eligible to apply for ECF-Fintech (Professional Level) module exemption.

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

### **3. Programme Overview - Advanced Diploma for Certified Banker (Stage I)**

#### **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 (Stage I) aim to equip candidates with the core competence required under the Enhanced Competency Framework (ECF), the banking industry standard introduced by the Hong Kong Monetary Authority.

#### **B. Professional Qualification Intended Outcomes**

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

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






### **3.1 Future Banking and ESG (FBESG)**

#### **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 and ESG areas.

#### **B. *Modules Intended Outcomes***

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

-  Distinguish the functions of the financial markets and systems and interpret their implications to the development of the banking business and operations;
-  Describe the regulatory framework and requirements to banking services and operations;
-  Identify relevant banking services and products to satisfy customers' needs;
-  Recognise the latest developments and emerging trend of financial technology in banking industry; and
-  Understand the framework and future development of ESG and sustainable finance in banking industry.

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

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

**D. Syllabus**

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

Chapter 2: Banking Systems and Regulations			
1.	Banking systems	1.1 1.2 1.3 1.4	Functions of banking systems Banking systems in Hong Kong Banking systems in Mainland China Banking systems in the US
2.	Banking regulations	2.1 2.1.1 2.1.2 2.1.3	Banking regulations Basel Capital Accord The Banking Ordinance Hong Kong Monetary Authority (HKMA) Guidelines

		2.1.4	Supervisory Policy Manual (SPM)
		2.1.5	The Code of Banking Practice
		2.1.6	Deposit Protection scheme
	2.2		Risk management
		2.2.1	Type of risks
		2.2.2	Sound risk management practice
	2.3		Corporate governance

Chapter 3: Banking Products, Services and Operations			
1.	Retail Banking Products, Services & Operations	1.1	Retail banking customers
		1.2	Retail banking products
		1.3	Retail banking operations
2.	Institutional Banking Products, Services & Operations	1.1	Institutional banking customers
		1.2	Institutional banking products
		1.3	Institutional banking operations
3	Private Banking / Private Wealth Management (PWM)	1.1	Private banking customers
		1.2	Private banking products
		1.3	Private banking operations
4.	Investment Banking	1.1	Investment banking customers
		1.2	Investment banking products
		1.3	Investment banking operations
5	Virtual Banking		


Chapter 4: Financial Technology (Fintech)			
1.	Emergence of Fintech		
2.	Value Propositions of Fintech		

3	Contemporary Fintech Applications in Banking	3.1 3.2 3.3	Backend processes mobile payments Digital ID and KYC Utility Robo-advisory
4.	Emerging Technologies for Fintech	4.1 4.2 4.3 4.4 4.5 4.6	5G Digital technology Artificial intelligence Blockchain Cloud computing Data
5.	Emerging Risks of Fintech	5.1 5.2 5.3 5.4	Moral Risk Data Privacy Cybersecurity Financial Stability Risk
6	Future Development and Challenges of Fintech in Banking Industry		




Chapter 5: Environmental, Social, and Governance (ESG) and Sustainable Finance			
1	Introduction to ESG	1.1 1.2 1.3 1.4 1.5	Overview of ESG Environmental factors Social factors Governance factors Internationally recognized ESG rating system
2.	Emerging ESG Risks and its Mitigation and Control	2.1 2.2 2.3	Environmental risks Social risks Governance risks

3.	ESG Engagement, Application and Stewardship	3.1 3.2 3.3 3.4	Benefits, opportunities and challenges for financial institutions ESG stewardship ESG and organization strategy Case demonstration
4.	ESG Reporting	4.1 4.2	Task Force on Climate-related Financial Disclosures (TCFD) Hong Kong Stock Exchange (HKEX) ESG Reporting Guide
5.	ESG Regulations	5.1 5.2 5.3	The Network of Central Banks and Supervisors for Greening the Financial System (NGFS) Common Assessment Framework on Green and Sustainable Banking (HKMA) Strategic Framework for Green Finance (SFC)
6	Overview of the Framework of Sustainable Finance	6.1 6.2 6.3	Sustainable finance: An overview Sustainable finance framework and opportunities Latest development of sustainable finance in Hong Kong with positioning as regional hub
7.	Future Development of ESG and Sustainable Finance in Banking Industry		




### **E. Essential Readings**

-  HKIB Study Guide – Future Banking and ESG (2022)

### **F. Supplementary Readings**

-  HKIB E-learning Course No. 53 – Financial Privacy
-  HKIB E-learning Course No. 63 – International Trade Services
-  HKIB E-learning Course No. 64 – Introduction to Bank Lending Environment

**G. Further Readings**

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

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

## **3.2 Professional Ethics and Compliance**




### **A. *Module Objectives***

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




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

### **B. *Modules Intended 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; and
-  Perform compliance monitoring and the practical application of legal and regulatory requirements in their daily work

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

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

**D. Syllabus**

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

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

Chapter 3: Regulatory Framework and Regulatory Requirements			
1.	Regulatory Framework	1.1	Introduction
		1.2	The Hong Kong Monetary Authority (HKMA)
		1.3	The Securities and Futures Commission (SFO)
		1.4	The Insurance Authority (IA)
		1.5	The Mandatory Provident Fund Schemes Authority (MPFA)
2.	Regulatory Requirements	2.1	Know Your Customer

		2.2	Laws and regulations applicable to financial services, Anti-money laundering, sanctions risk, tax evasion, Foreign Account Tax Compliance Act, automatic exchange of information, common reporting standards and Counter Terrorist Financing
		2.3	Suitability obligations & mis-selling
		2.4	Market misconduct under the SFO
		2.4.1	Insider trading
		2.4.2	Price rigging
		2.4.3	Other types of securities fraud e.g. market manipulation
		2.5	Customer protection laws
		2.5.1	Treat Customers Fairly Charter
		2.5.2	Personal Data (Privacy) Ordinance
		2.6	Equal opportunities
		2.7	Bribery & corruption, acceptance of gifts & entertainment
		2.8	Prevention of financial crimes

Chapter 4: Corporate Governance and Internal Control			
1.	Corporate Governance	1.1	Introduction
		1.2	Structuring of the bank
		1.2.1	Organisational structure
		1.2.2	The board
		1.2.3	Specialised committees
		1.3	Stakeholders in corporate governance
		1.4	Implications of CG6 and ECF
2.	Internal Controls	2.1	Elements of internal control systems
		2.2	Attributes of an effective control system
		2.3	Compliance
		2.4	Internal audit
		2.5	Risk management
		2.6	Costs & benefits of internal control




**E.      *Essential Readings***

-  HKIB Study Guide - Professional Ethics and Compliance (2018)

**F.      *Supplementary Readings***

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

**G.      *Further Readings***

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

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

### **3.3 Fundamentals of Accounting**





#### **A. *Module Objectives***

This module contributes to the achievement of the Professional Qualification Intended Outcomes by enabling learners 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 learners to relate essential knowledge and concepts in financial accounting to real life application.




This is an introductory module that serves to equip learners with the fundamental but essential knowledge on the two professional areas such that learners would be well-prepared to examine and analyse further issues in these two areas when they proceed to study specialist module such as “Banking Law and Practice” in their advanced level of studies under the CB programme.

#### **B. *Modules Intended Outcomes***

Upon completion of this module, learners 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**

Chapter 1: Financial Reporting			
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
		2.2.1	Balance sheet
		2.2.2	Income statement
		2.2.3	Statement of changes in equity
		2.2.4	Cash flow statement
		2.3	Conceptual framework for the preparation of financial statements
		2.4	Features of financial statements
		2.4.1	Quantitative characteristics
		2.4.2	Qualitative characteristics
3.	Regulatory Environment for Financial Reporting in Hong Kong	3.1	Framework for the preparation of financial statements
		3.2	Regulatory bodies responsible for setting accounting standards

Chapter 2: Interpretation of Financial Statements			
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
		2.3.1	Profitability ratios
		2.3.2	Efficiency ratios
		2.3.3	Investor ratios
		2.3.4	Return on assets as a measure of operating profitability
		2.3.5	Return on Shareholders' Equity
		2.3.6	Liquidity ratios
		2.3.7	Stability ratios
		2.3.8	Usefulness and limitations of ratio analysis

		2.4	Financial performance trend analysis and industry comparison
3.	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

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


Chapter 4: Budgeting & Performance Measurement in Banking			
1.	Planning Decisions	1.1	Cost/volume/profit analysis
		1.2	Contribution margin
		1.3	Break-even point
2.	Budgeting and Evaluating Performance	2.1	Basics of standard costing
		2.2	Variance analysis
		2.3	Bank level performance measurements
		2.4	Division level performance measurements


### **E. Essential Readings**

 HKIB Study Guide – Fundamentals of Accounting (2018)





### **F. Supplementary Readings**

 HKIB E-learning Course No. 24 – Financial Accounting

 HKIB E-learning Course No. 51 – Understanding financial Statements

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

**G. Further Readings**

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

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

### **3.4 Introduction to Banking Law**




#### **A. *Module Objectives***

This module aims to equip learners with the fundamental but essential knowledge on the general principles of legal concepts related to banking and finance. It also helps them to understand the relevant application of laws and regulations, and to comply with relevant laws, regulations and internal policies.




This is an introductory module that serves to equip learners with the fundamental but essential knowledge on the this area such that learners would be well-prepared to examine and analyse further issues when they proceed to study specialist module such as “Banking Law and Practice” in their advanced level of studies under the CB programme.

#### **B. *Modules Intended Outcomes***

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

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

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

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

**D. Syllabus**

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

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



Chapter 3: Negotiable Instruments			
1.	Introduction	1.1	Types of negotiable instruments
		1.1.1	Bills of exchange
		1.1.2	Cheques
		1.1.3	Promissory notes

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




### **E. Essential Readings**

-  HKIB Study Guide – Introduction to Banking Law (2018)

### **F. Supplementary Readings**

-  Chan Bo-ching Simon. (2000). Hong Kong Banking Law and Practice (Vol.1). The Hong Kong Institute of Bankers.
-  Mark Hsiao. (2013). Principles of Hong Kong Banking Law. Sweet & Maxwell

**G. Further Readings**

-  Claire Wilson. (2016). Banking Law and Practice in Hong Kong. Sweet & Maxwell.
-  HKIB E-learning Course No. 1 – Anti Money Laundering
-  HKIB E-learning Course No. 7 – Basel III

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





### 3.5 Introduction to People Management Skills (IPMS)

#### A. *Module Objectives*




This module aims to provide candidates with the fundamental theories and practices relating to the people management in organisations, particularly in financial institutions. By understanding the roles of a manager in planning, decision-making, organising, leading, employee management, and control, it helps learners to appreciate and analyse the factors and forces involved in making organisations and people work effectively and efficiently, especially under the contemporary business environment in which people are emerging to a “new normal”.

#### B. *Modules Intended Outcomes*

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

-  Articulate the key concepts, facts, principles, and theories of people management and their application; particularly in financial institutions;
-  Select essential management tools and methods at planning, controlling and organising stage under management process;
-  Apply the fundamental people management tools and techniques to lead the team at work place; and
-  Outline effective leadership techniques for managing the “contemporary” business environment.

#### C. *Assessment Method*

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

**D. Syllabus**

Chapter 1: Management Overview			
1.	The Management Process	1.1 1.2 1.3 1.4	Introduction Definition and functions of management Difference between a Manager and a Leader Managerial roles and skills
2.	Management Approaches	2.1 2.2 2.3 2.4	Theory of Human Needs and application Theory X and Theory Y and application Adult Personality and application Motivation theory and practice
3.	Ethical Behaviour in Management	3.1 3.2 3.3	Ethical Dilemma Influences on Ethical Decision Making Social Responsibility and Sustainability

Chapter 2: Planning and Controlling			
1.	Introduction		
2.	Management Planning Approaches and Tools	2.1 2.2 2.3	Different types of management plan Basic planning tools and techniques Business goals management
3.	Problem Solving and Decision Making	3.1 3.2 3.3	Managers as problem solver Problem solving approaches and process Decision making process
4.	How Managers Control	4.1 4.2 4.3	The control principles and process Control tools for effective management Control techniques for different management aspects

Chapter 3: Organizing			
1.	Alignment to Organizational Structure and Development	1.1 1.2 1.3	Organization structure and development Values and culture Multicultural awareness and diversity
2.	Managing Change	2.1 2.2 2.3	Introduction Common resistance to change Change strategies application and practices
3.	Human Resources Management	3.1 3.2 3.3	Managers' roles in human resources management Staff performance management and development Motivating and engaging the work force for better performance

Chapter 4: Leading			
1.	Introduction to Leadership	1.1 1.2 1.3 1.4	The nature of leadership Leadership traits and behaviors Leadership styles and impacts to a team How situational leadership works in workplace
2.	Leading Teams	2.1 2.2 2.3	How different roles play in a team effectively How to drive teamwork Managing diversity of staff in different generation and culture
3.	Effective Communication	3.1 3.2 3.3	The communication process The nature and benefits of different types and channels of communication Tips to overcome communication barriers
4.	Coaching for Performance	4.1 4.2 4.3	Types of coaching Coaching process (GROW model) Fundamental coaching techniques

Chapter 5: People Management under Contemporary Era			
1.	The emergence of the “new normal” culture at contemporary workplace	1.1	Remote working / digitalization era 1.1.1 Background and future trend 1.1.2 Impact on working style 1.1.3 Cultural transformation
		1.2	Challenges for manager 1.2.1 Lead and manage from a distance
2.	Health and Wellbeing at Work	2.1	Coping strategies under “new normal” 2.1.1 Personal resilience 2.1.2 Dealing with distraction 2.1.3 Self-control and marshmallows 2.1.4 Brain agility model

### E. *Essential Readings*

✚ For the whole module -

- Schermerhorn Jr., J., & Bachrach, D. (2020). Management. 14th Ed. Wiley.

### F. *Supplementary Readings*



✚ George, J. M. (2000). Emotions and leadership: The role of emotional intelligence. Human Relations, 53(8), 1027-1055. <https://doi.org/10.1177/0018726700538001>

✚ Swart, T., Chisholm, K., & Brown, P. (2015). Neuroscience for leadership: Harnessing the brain advantage. Palgrave Macmillan.

✚ Waldman, D. A., Balthazard, P.A., & Peterson, S.J. (2011). Social cognitive neuroscience and leadership. The Leadership Quarterly, 22(6), 1092-1106.

<https://doi.org/10.1016/j.lequa.2011.09.005>

**G. Further Readings**

-  Gerald, C, & Kelly, P. (2020). Management Theory and Practice. 9<sup>th</sup> Ed. Cengage.
-  O'Rourke, J. (2015). DK Essential Managers: Effective Communication: Listening, Presenting, Giving Feedback. NY: Penguin Random House.

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

## 3.6 Risk Management





### *H. Module Objectives*

This module aims to provide the learners with a solid and practical knowledge on risk management. They are expected able to identify and analyze different types of risks related to general banking and finance area especially for the ones threatening the banking industry today. They will also understand and apply the basic risk management principles at bank level.




Topics covered in this module serve as an important building block for learners as they proceed further to the ultimate specialist level of modules such as “Credit Risk Management” and “Operational Risk Management”.

### *I. Modules Intended 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; and
-  Execute and monitor measures according to legal, regulatory and compliance requirements in a business context relating to risk.

### *J. Assessment Method*

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

**K. Syllabus**





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


Chapter 2: Regulatory Requirements in Risk Management			
1.	Regulations of Financial Institutions	1.1	The HKMA supervisory policy manual
		1.1.1	Risk management environment
		1.1.2	Oversight of risk management by the board and senior management
		1.1.3	Policies, procedures and limits of a sound risk management system
		1.1.4	Risk assessment prior to launching new products and services
		1.1.5	Risk measurement, monitoring and reporting
		1.1.6	Enterprise risk management framework (3 lines of defence)

		1.2	1.1.7 Risk measurements and the Risk Management function
		1.3	CAMEL rating system for banks
			Bank culture reform
2.	Basel	2.1	Basel Committee on Banking Supervision
		2.2	Development of Basel
		2.2.1	Basel I
		2.2.2	Basel II
		2.2.3	Basel III
		2.3	Applications of Basel in different business models
3.	Case Sharing on the Consequences of Violating Regulatory Requirements in Risk Management		




Chapter 3: Structuring Risk Management Functions			
1.	Organisation of Risk Management Functions in a Bank	1.1	General Risk Management Committees
		1.1.1	Risk Executive Committee
		1.1.2	Group Reputational Risk Committee
		1.1.3	Finance and Audit
		1.2	Roles & responsibilities of major parties
		1.2.1	Management Board
		1.2.2	Supervisory Board
		1.2.3	Chief Risk Officer
		1.3	Framework for internal control
2.	Risk Management Tools and Measures	2.1	Use of economic capital for risk management
		2.1.1	VaR
		2.1.2	RWA
		2.1.3	Capital adequacy (Common Equity Tier 1)
		2.1.4	Risk-adjusted return on capital

### L. *Essential Readings*










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

-  HKMA Supervisory Policy Manual OR-1: Operational Risk Management

**M.     *Supplementary Readings***

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

**N.     *Further Readings***

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

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

### **3.7 Qualification Certificate of Banking Professional (QCBP)**

Holders of Qualification Certificate of Banking Professional (QCBP) who have passed the QCBP exam are eligible to apply for “QCBP” module exemption.

**For detail, please refer to: <https://www.hkib.org/page/96>**

### **3.8 ECF on Treasury Management**

For exemption only. Holders of the ECF on Treasury Management (Core Level) (i.e., ECF on Treasury Management (Core Level)) offered by LiPACE of HKMU are eligible to apply for module exemption.

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

For exemption only. Holders of the Advanced Certificate for ECF-AML/CFT or respective grandfathered certificate (plus submission of the form – Recognising Prior Learning Assessment Criteria for ECF-AML/CFT (Core Level) are eligible to apply for module exemption.

For details, please refer to "ECF-AML/CFT": <https://www.hkib.org/page/83>

### **3.10 ECF on Cybersecurity (Core Level)**

For exemption only. Holders of the Advanced Certificate for ECF on Cybersecurity Offered by HKIB are eligible to apply for “ECF-Cybersecurity” module exemption.

For details, please refer to “ECF-Cybersecurity”: <https://www.hkib.org/page/84>

### **3.11 ECF on Operational Risk Management (Core Level)**

For exemption only. Holders of the Advanced Certificate for ECF-ORM or respective grandfathered certificate are eligible to apply for ECF-ORM (Core Level) module exemption.

For details, please refer to "ECF-ORM": <https://www.hkib.org/page/87>

### **3.12 ECF on Compliance (Core Level)**

For exemption only. Holders of the Advanced Certificate for ECF-Compliance or respective grandfathered certificate are eligible to apply for ECF- Compliance (Core Level) module exemption.

For details, please refer to "**ECF-Compliance**": <https://www.hkib.org/page/204>

# 1. Programme Overview - Professional Diploma for Certified Banker (Stage II)

## A. Programme Objectives

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

There are two main objectives of the Professional Diploma programme:

### Generalist Knowledge




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

### Evaluative Skills

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

## B. Professional Qualification Intended Outcomes

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

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





## **4.1 Green Finance and Sustainability (GFS)**

### **A. Module Objectives**




This module aims to develop candidates' comprehensive knowledge, skills and understanding relating to green finance and sustainability and the relationship between green and sustainable finance and ESG. With the study of internationally-recognised as well as local banking principles and practice in the full spectrum of green finance and sustainability, together with guidelines from local regulator and case studies, learners will be able to understand how to help bank deliver its strategy, perform well at work, serve customers, communities and the wider environment to manage climate-related risk, and support the transition to a low-carbon and sustainable world with the provision of green and sustainable finance.

### **B. Modules Intended Outcomes**

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

-  Assess the latest development, governance factors, good practices and market trends in Green Finance and Sustainability to meet the transformation and changing needs in the banks and financial institutions;
-  Analyse the major green debt financing instruments;
-  Evaluate different factors relevant in ESG investing, the application of ESG valuation in equity and bonds, and the ESG consideration in the investment process; and;
-  Apply the major green finance certifications and ESG ratings being used in the market to different development and operational processes

### **C. Assessment Method**

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

**D. Syllabus**

Chapter 1: Overview of Green Finance and ESG			
1.	Introduction to ESG	1.1	What is ESG
		1.2	ESG Strategies
		1.3	ESG Equity and Debt Investment
		1.4	Relationship among ESG, Green Finance, and Sustainability
		1.5	The influence and impact of Climate Risk to the Banking Industry
		1.6	ESG Regulatory Development
2.	Climate Transition Finance	2.1	Company's Climate Transition Strategy
		2.2	Company's Business Model Environmental Materiality
		2.3	Company's Implementation Transparency
3.	Introduction Green Loans and Green Bonds	3.1	Green Loan Principles
		3.2	Green Bond Principles
		3.3	Social Bond Principles
		3.4	Sustainability Bonds Guidelines
		3.5	Green Regulatory Development
		3.6	Emergence of Blue Finance

Chapter 2: Green Finance Instruments			
1.	Green Debt	1.1	Green Loans vs. Green Bonds
		1.2	Identification of Eligible Green Projects
		1.3	Bond Issuer Green Framework
		1.4	Green Washing Risks
2.	Green Securitisation	2.1	Defining Green Securitisation
		2.2	Green Securitisation vs. Green Bonds
		2.3	Green Auto ABS
		2.4	Solar ABS
		2.5	Green RMBS

Chapter 3: ESG Investing Consideration			
1.	ESG Analysis	1.1	ESG Value Drivers
		1.2	Analysis of Environmental Factors
		1.3	Analysis of Social Factors
		1.4	Analysis of Governance Factor
		1.5	Identifying ESG Risks from Banks' perspective
		1.6	Identifying ESG Opportunities from Bank's perspective
2.	ESG Valuation	2.1	ESG and Valuation Models
		2.2	ESG in Equity Valuation
		2.3	ESG in Fixed Income Valuation
3.	ESG Investment Decision Process	3.1	ESG Investment Guidelines
		3.2	ESG Asset Allocation
		3.3	ESG Company Analysis
		3.4	Social Responsible Investing (SRI)

Chapter 4: Green Finance Certification and ESG Rating			
1.	Overview of Green Finance Certification and ESG Rating Global Practice	1.1	Green Certification: Market Development, Major Players (Sustainalytics, HKQAA, S&P)
		1.2	ESG Ratings: Market Development, Major Players (MSCI, Sustainalytics)

2.	HKQAA Green Finance Certification	2.1	Green Finance Design: Core Reference and Qualitative Approach
		2.2	Green Finance Scheme Setting: Pre-Issuance and Post-Issuance Stages
		2.3	Green Certification Process
3.	MSCI ESG Rating	3.1	MSCI ESG Rating Scale
		3.2	MSCI ESG Rating Methodology Three Pillars
		3.3	MSCI ESG Key Issue Hierarchy
		3.4	MSCI ESG Rating Process

## **E. Essential Readings**



For the whole module:

- HKIB: Study Guide – Green Finance and Sustainability (2022)

## **F. Supplementary Readings**

### Chapter 1

- LSTA – Green Loan Principles (2021)  
<https://www.lsta.org/content/green-loan-principles/>
- ICMA – Green Bond Principles (2021)  
<https://www.icmagroup.org/News/news-in-brief/green-and-social-bond-principles-2021-edition-issued/>
- ICMA – Climate Transition Finance Handbook (2020)  
<https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Climate-Transition-Finance-Handbook-December-2020-091220.pdf>
- MSCI – Introducing ESG Rating (2018)  
<https://www.msci.com/documents/1296102/7943776/ESG+Investing+brochure.pdf/bcac11cb-872b-fe75-34b3-2eaca4526237>

### Chapter 2

- FSDC – Hong Kong as a Regional Green Finance Hub (2016)  
<https://www.fsd.org.hk/media/1eontef/press-release-green-finance-english.pdf>
- HKSAR – Hong Kong Green Bond Report (2021)  
[https://www.hkgb.gov.hk/en/others/documents/Green\\_Bond\\_Report\\_2021.pdf](https://www.hkgb.gov.hk/en/others/documents/Green_Bond_Report_2021.pdf)
- Fitch – Green Securitisation: Developments and Challenges (2021)  
<https://www.fitchratings.com/research/structured-finance/green-securitisation-developments-challenges-15-04-2021>

### Chapter 3

- FSDC – Developing into the Global ESG Investment Hub of Asia (2022)  
<https://www.fsd.org.hk/en/insights/hong-kong-developing-into-the-global-esg-investment-hub-of-asia>
- IOSCO – ESG Ratings and Data Products Providers (2021)  
<https://www.hkgreenfinance.org/iosco-consults-on-esg-ratings-and-data-providers/>
- OECD – ESG Investing Practices, Progress and Challenges  
<https://www.oecd.org/finance/ESG-Investing-Practices-Progress-Challenges.pdf>

### Chapter 4

- HKQAA – Green Finance Certification Scheme Handbook  
[http://www.hkqaa.org/cmsimg/Green%20Finance/GFCS\\_green\\_fund\\_handbook\\_hyperh.pdf](http://www.hkqaa.org/cmsimg/Green%20Finance/GFCS_green_fund_handbook_hyperh.pdf)
- HKQAA – Green and Sustainable Finance related Certification List of Certification (2021)  
[http://www.hkqaa.org/cmsimg/GreenFinance/20211008\\_HKQAA\\_GSFCS\\_list.pdf](http://www.hkqaa.org/cmsimg/GreenFinance/20211008_HKQAA_GSFCS_list.pdf)

- MSCI – ESG Ratings Methodology Executive Summary (2020)  
<https://www.msci.com/documents/1296102/21901542/MSCI+ESG+Ratings+Methodology+-+Exec+Summary+Nov+2020.pdf>
- MSCI – ESG Metrics Calculation Metrics Calculation Methodology (2020)  
[https://www.msci.com/documents/10199/1283513/MSCI\\_ESG\\_Metrics\\_Calc\\_Methodology\\_Dec2020.pdf/92a299cb-0dbc-63ba-debb-e821bd2e2b08](https://www.msci.com/documents/10199/1283513/MSCI_ESG_Metrics_Calc_Methodology_Dec2020.pdf/92a299cb-0dbc-63ba-debb-e821bd2e2b08)

## **G. Other Further Readings**

### Chapter 1

- S&P - Global Sustainable Bond Issuance To Surpass \$1.5 Trillion In 2022 (2022)  
<https://www.spglobal.com/ratings/en/research/articles/220207-global-sustainable-bond-issuance-to-surpass-1-5-trillion-in-2022-12262243>
- SCMP - JPMorgan expects ESG bond issuance in Asia to nearly double in 2022 amid investor demand and climate change efforts (2022)  
<https://www.scmp.com/business/banking-finance/article/3154220/jpmorgan-expects-esg-bond-issuance-asia-nearly-double-2022>

### Chapter 2

- HKEX – The Burgeoning Mainland Green ABS Market and the Potential Support from the Hong Kong Market (2021)  
[https://www.hkex.com.hk/-/media/HKEX-Market/News/Research-Reports/HKEx-Research-Papers/2021/CCEO\\_GreenABS\\_202105\\_e.pdf?la=en](https://www.hkex.com.hk/-/media/HKEX-Market/News/Research-Reports/HKEx-Research-Papers/2021/CCEO_GreenABS_202105_e.pdf?la=en)
- SCMP - ‘Greenwashing’ concerns raised as Hong Kong airport floats green bond (2022)  
<https://www.scmp.com/business/article/3162333/sustainable-finance-greenwashing-concerns-raised-hong-kong-airport-floats>

### Chapter 3

- Asian Investor - Client demand the driving force behind ESG investment in APAC: survey (2021)  
<https://www.asianinvestor.net/article/client-demand-the-driving-force-behind-esg-investment-in-apac-survey/473578>
- SCMP - Can Hong Kong help cut through the alphabet soup of global ESG rules? (2022)  
<https://www.scmp.com/business/article/3164217/green-finance-global-standard-may-cut-through-alphabet-soup-global-esg>

### Chapter 4

- Bloomberg – the ESG Mirage (2021)  
<https://www.bloomberg.com/news/audio/2021-12-10/the-esg-mirage-podcast>
- MSCI – 2022 ESG Trends to Watch (2022)  
<https://www.msci.com/research-and-insights/2022-esg-trends-to-watch>

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




## 4.2 Corporate Finance Services

### A. *Module Objectives*




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

### B. *Modules Intended Outcomes*

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

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

### C. *Assessment Method*

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

**D. Syllabus**

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

Chapter 2: Sources and Types of Risks for Financial Management in Banks			
1.	Cross-boundary Risks	1.1	Use and parameters for country risk analysis
		1.2	Cross-boundary lending risks, e.g. exchange control;

			regulatory and tax considerations, etc
2.	Corporate Treasury Management	2.1	Currency and interest rate risk and exposure management
		2.2	Understanding of currency swaps; interest rate swaps; asset swaps; financial futures; forward contracts; options; negotiable instruments
3.	Credit Risk Management in Bank Lending	3.1	Credit derivatives and its limitations (documentation, counterparty issues, etc.) for the management of risk

### **E. Essential Readings**

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

### **F. Supplementary Readings**

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

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

### **G. Further Readings**

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

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




## 4.3 Finance of International Trade

### A. *Module Objectives*




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

### B. *Modules Intended Outcomes*

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

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

### C. *Assessment Method*

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

**D. Syllabus**

Chapter 1: Introduction to International Trade Finance			
1.	What is International Trade Finance?	1.1	Meaning and importance of international trade finance
		1.2	Types of customers in Hong Kong and abroad; their needs and the opportunities for banks and other bodies that these present;
		1.3	Various roles of banks in facilitating international trade; growth of world trade and changes in its commodity and geographical composition;
		1.4	Importance of services in international trade;
		1.5	Basic understanding of logistic management and trade finance; non-bank trade service providers, e.g. Bolero (Bolero.net), Tradecard (Tradecard.com), upscapital.com

Chapter 2: International Trading Practice			
1.	Methods of Payment in International Trade	1.1	Collection; documentary credit; advanced payment; counter trade; barter/compensation trade; bilateral payment agreement/arrangement and forfaiting
2.	International Payment, Settlement and Clearing Systems	2.1	Payment settlement and clearing; cheques, drafts, mail and telegraphic payment orders (including express money transfers); SWIFT; nostro and vostro accounts and procedures (in general terms); general concept and procedures of Real Time Gross Settlement (RTGS)
		2.2	Electronic banking services including payment and credit cards, giro transfers and means of making regular payments
		2.3	Payment and collection services available from correspondent banks abroad
		2.4	Settlement in Foreign Currencies (Rates of exchange; factors affecting the movement of rates; protection against exchange risks; mechanics of forward contracts)
3.	Commercial and Shipping Terms	3.1	Common shipping terms and meaning


	Used in International Trade	3.2	Purpose of the relevant Incoterms; risks and responsibilities of the parties involved, Incoterms 2010 (ICC Publication 715)
4.	Documents Used in International Trade	4.1	Types and uses of bills of exchange; features and functions of basic, shipping, transport and insurance documents;
		4.2	Control and transfer of ownership of goods and insurance;
		4.3	Implications of Electronic Data Interchange (EDI) on international trade

Chapter 3: Documentary Collections & Documentary Credits			
1.	Documentary Collections	1.1	Collection of cheques and bills of exchange, both clean and documentary. Terminology and procedures.
		1.2	Actions to be taken in the event of dishonour; protection of goods; avalisation of inward bills.
		1.3	A detailed knowledge of Uniform Rules for Collections ICC publication 522 and the relevant features of Bills of Exchange Ordinance
2.	Documentary Credits	2.1	Main types of documentary letters of credit and their documentary requirements and procedures namely, opening, advising, confirmation, negotiation, payment and reimbursement;
		2.2	Liabilities and responsibilities of the parties;
		2.3	Examination of documents and treatment of discrepancies.
		2.4	Uses of credits including acceptance/deferred payment credits, red clause letters of credit, revolving credits, standby credits, transferable and back-to-back credits.
		2.5	A detailed knowledge of Uniform Customs and Practice for Documentary Credits UCP600 and Uniform Rules for Bank-to-Bank Reimbursements under Documentary Credit, ICC publication 725, International Standby Practice ISP 98, ISBP and eUCP




Chapter 4: Trade Finance Services and Trade Related Risk			
1.	Import and Export Finance	1.1	Import financing, including produce/merchandise advances against security of goods and trust receipt.
		1.2	Export financing, including purchasing, negotiating, accepting and discounting bills under documentary credits or documentary collections; packing loan; factoring; invoice discounting; advance under ECIC policies; banker's acceptance.
		1.3	Risks involved in granting trade finance facilities to importers and exporters. Difference between foreign L/C and local L/C.
2.	Trade Promotion and Supporting Services	2.1	Trade promotion services from banks, official and semi-official bodies (e.g. Trade and Industry Department, Trade Development Council, Export Credit Insurance Corporation, Chambers of Commerce) to develop trade and investment
		2.2	Letters of introduction; sources of information/advice; using correspondent banks including status reports, economic conditions, entry to overseas markets.
		2.3	Types and procedures of bank guarantees and bonds in facilitating international trade; risks and responsibilities of issuers; ways to minimize risks; Uniform Rules for Demand Guarantees, etc
		2.4	Other government involvement in export credit arrangement; need for export credit; export promotion schemes and facilities in other countries such as UK – ECGD and other EC countries, USA – EXIM bank, China – Import-Export Bank (general basic understanding).
		2.5	WTO and GATT and other agencies involved in international trade.
3.	Trade Fraud	3.1	Types of trade fraud
		3.2	Fake goods
		3.3	Forged documents
		3.4	Money laundering
		3.5	Prevention measures

4.	Risk and Risk Management in International Trade	4.1	Types of risk: political and economic risk, credit risk, performance risk, documentary risk, foreign exchange risk, transfer risk, interest rate risk
		4.2	Fraud
		4.3	Risk Management, including protection against above risks
		4.4	Rules and regulations governing fraud and money laundering







### **E. Essential Readings**

-  Luk Kwai Wing. (2011). International Trade Finance: A Practical Guide (2<sup>nd</sup> ed.). City University of Hong Kong

### **F. Supplementary Readings**

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

### **G. Further Readings**

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

## 4.4 Technology Management and Innovation in Banking

### A. *Module Objectives*




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

### B. *Modules Intended Outcomes*

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

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

### C. *Assessment Method*

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

**D. Syllabus**

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

Chapter 2: Cyber Security and Data Privacy			
1.	Regulatory framework and related regulations for technology management and cybersecurity e.g. HKMA SMP Technology risk management and risk management in E-Banking		
2.	Cyber Security Threats		
3.	Information System Security Management	3.1 3.2	Principles and general practices ISO/IEC 27001 Information security management system

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

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

Chapter 4: FinTech for Digital Banking and Service Channels			
1.	Payment	1.1	Current interbank payment infrastructure

		1.2	Overview of emerging non-bank payment infrastructures
		1.3	Introduction of Stored Value Facilities (SVF) and regulations
		1.4	Functional comparison of conventional and emerging payment solutions in HK
2.	Remittance	2.1	Current remittance architecture
		2.2	SWIFT – history and recent developments
		2.3	Emerging remittance technologies
		2.4	Functional comparison of conventional and emerging remittance solutions in HK
3.	Chatbots	3.1	Technology overview of Chatbots
		3.2	Client services channel
		3.3	Revolution of banking process re-engineering
		3.4	Regulatory and compliance considerations of Chatbots in banking
4.	Robot Advisory	4.1	Overview of conventional retail investment platforms
		4.2	Theoretical review of robo advisory services
		4.3	Robo Advisor versus Human advisor in retail investment
		4.4	Regulations and suitability of robo advisory services in retail investment
		4.5	Introduction of social investing
		4.6	Introduction of algorithm trading in institutional investment
5.	Digital Branch	5.1	Online-to-offline client servicing
		5.2	Roles of branch staff, location and facilities in digital branches
		5.3	Branch banking officers and tellers
		5.4	Retail investment advisors
		5.5	Premier banking services
		5.6	Commercial banking services
		5.7	Increasing Digital Penetration – Change in Roles

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

Chapter 5: Compliance with Information Technology			
1.	Overview of regulatory technology (RegTech)		
2.	Transaction surveillance and AML	2.1	Application of data analytics
		2.2	Privacy and the use of analytics
3.	Know-your-client (KYC) and onboarding technologies	3.1	Aggregation of identity
		3.2	Biometric authentication
4.	International efforts	4.1	Joint Financial Intelligence Unit (JFIU)
		4.2	Financial Action Task Force on Money Laundering (FATF)

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


### E. Essential Readings

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

### F. Supplementary Readings

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

**G. Further Readings**

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

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

#### **4.5 ECF on Retail Wealth Management (RWM) (Professional Level)**

For exemption only. Holders of the Professional Certificate for ECF on Retail Wealth Management (RWM) offered by HKIB are eligible to apply for “ECF-RWM (Professional Level)” module exemption.

For details, please refer to “ECF-RWM”: <https://www.hkib.org/page/85>

#### **4.6 ECF on Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) (Professional Level)**

For exemption only. Holders of the Professional Certificate for ECF-AML/CFT or respective grandfathered certificate are eligible to apply for ECF-AML/CFT (Professional Level) module exemption.

For details, please refer to “ECF-AML/CFT”: <https://www.hkib.org/page/83>

#### **4.7 ECF on Credit Risk Management (CRM) (Core Level)**

For exemption only. Holders of the Core Level Training Certificate for ECF-CRM or respective grandfathered certificate are eligible to apply for ECF-CRM (Core Level) – Fundamentals of Bank Lending (M3) module exemption.

[For details, please refer to “ECF-CRM”: https://www.hkib.org/page/86](https://www.hkib.org/page/86)

#### **4.8 ECF on Operational Risk Management (ORM) (Professional Level)**

For exemption only. Holders of the Professional Certificate for ECF-ORM or respective grandfathered certificate are eligible to apply for ECF-ORM (Professional Level) module exemption.

For details, please refer to “**ECF-ORM**”: <https://www.hkib.org/page/87>

## **4.9 ECF on Fintech (Core Level)**

For exemption only. Holders of the Professional Certificate for ECF on Fintech or respective grandfathered certificate are eligible to apply for ECF on Fintech (Core Level) module exemption.

For details, please refer to “ECF-Fintech”: <https://www.hkib.org/page/203>

#### **4.10 ECF on Compliance (Professional Level)**

For exemption only. Holders of the Professional Certificate for ECF on Compliance or respective grandfathered certificate are eligible to apply for ECF on Compliance (Professional Level) module exemption.

For details, please refer to “**ECF-Compliance**”: <https://www.hkib.org/page/204>

## **5. Programme Overview - Postgraduate Diploma for Certified Banker (CB Stage)**

### **A. Programme Objectives**

The Certified Banker professional qualification aims to provide banking professionals with expert knowledge and develops skill set required for senior positions in major functional areas. As the programme was developed with the objective of nurturing more holistic banking professionals, participants would be required to apply their cross-discipline general banking knowledge in the specific functional stream they select. They would also need to study a core module covering various areas at a strategic management level for cultivating their strategic mindsets and enhancing their leadership skills.

### **B. Professional Qualification Intended Outcomes**

#### Develop the Strategies

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

#### Manage the Implementation

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

#### Solve the Problems

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

## **Specialist Stream 1: Credit Management**

### **5.1 ECF on Credit Risk Management (CRM) (Professional Level) – Commercial Lending**

For exemption only. Holders of the Professional Level Training Certificate for ECF-CRM or respective grandfathered certificate are eligible to apply for ECF-CRM (Professional Level) – Advanced Commercial Lending (M4) or ECF-CRM (Professional Level) Advanced Credit Risk Management and Regulatory Requirements (M5) module exemption.

For details, please refer to "ECF-CRM": (<https://www.hkib.org/page/86>)

## **5.2 ECF on Credit Risk Management (CRM) (Professional Level) – Credit Portfolio Management**

For exemption only. Holders of the Professional Level Training Certificate for ECF-CRM or respective grandfathered certificate are eligible to apply for ECF-CRM (Professional Level) – Advanced Commercial Lending (M4) or ECF-CRM (Professional Level) Advanced Credit Risk Management and Regulatory Requirements (M5) module exemption.

For details, please refer to "ECF-CRM": (<https://www.hkib.org/page/86>)

## **Specialist Stream 2: Treasury Management**





### **5.3 Bank Asset and Liability Management**

#### **A. *Module Objectives***




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

#### **B. *Modules Intended Outcomes***

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

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

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

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


**D. Syllabus**

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





3.	Managing Bank Assets and Liabilities	3.1	Managing Bank Assets <ul style="list-style-type: none"> <li>- The loan portfolio</li> <li>- The investment portfolio</li> <li>- Liquidity management - assets</li> </ul>
		3.2	Managing Bank Liabilities <ul style="list-style-type: none"> <li>- Source of funds</li> <li>- Deposit structure</li> <li>- Impact of interest rate changes on net interest spread</li> <li>- Liquidity management – liabilities</li> </ul>

Chapter 2: Managing Liquidity Risk and Interest Rate Risk			
1.	Capital and Liquidity Management	1.1	Definition and measures of liquidity risk; liquidity standards under Basel III <ul style="list-style-type: none"> <li>- Liquidity Coverage ratio</li> <li>- Net Stable Funding ratio</li> <li>- BCBS principles for managing liquidity risk</li> </ul>
		1.2	Determining the Bank's funding need <ul style="list-style-type: none"> <li>- Meeting legal reserve requirements</li> <li>- Loan and deposit trends forecast</li> <li>- Liquidity gap estimation</li> <li>- Liquidity planning</li> </ul>
		1.3	Stress Testing <ul style="list-style-type: none"> <li>- Formulating liquidity management strategies under normal and abnormal circumstances</li> </ul>
2.	Managing Interest Rate Risk	2.1	Types of interest rate risk
		2.2	Interest rate Gap analysis
		2.3	Duration analysis <ul style="list-style-type: none"> <li>- Practical applications of duration gap</li> </ul>
		2.4	Basis Point Value (BPV)
		2.5	Hedging interest rate risk
		2.6	Immunization and hedging interest rate risk
		2.7	Securitization
		2.8	Net Interest Income sensitivity analysis
3.	Asset and Liability Management Strategies in Changing Market Conditions	3.1	Lessons from the 2008 global financial crisis
		3.2	From stress testing to contingency plan execution
		3.3	ALM strategy and interest rate cycle




**E. Essential Readings**

-  HKIB. (2018). Bank Asset and Liability Management (1<sup>st</sup> ed.). Wiley

**F. Supplementary Readings**

-  Moorad Choudhry. (2009). The Principles of Banking (1<sup>st</sup> ed.). South-Western Pub.
-  Moorad Choudhry. (2011). An Introduction to Banking: Liquidity Risk and Asset-liability Management (1<sup>st</sup> ed.). Wiley.
-  Jean Dermine & Youssef F. Bissada. (2007). Asset and Liability Management, The Banker's Guide to Value Creation and Risk Control (8<sup>th</sup> ed.). Prentice Hall.
-  Koch & MacDonald, S. (2015). Bank Management (8<sup>th</sup> ed.). Scott Cengage Learning.

**G. Further Readings**

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





## 5.4 Treasury Markets and Operations

### A. *Module Objectives*




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

### B. *Modules Intended Outcomes*

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

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

### C. *Assessment Method*

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

**D. Syllabus**

Chapter 1: Treasury Management			
1.	Treasury Management of Financial Institutions	1.1	Role of Treasury's functions: <ul style="list-style-type: none"> <li>- Balance sheet management</li> <li>- Liquidity risk management</li> <li>- Interest rate risk and foreign exchange exposure management</li> <li>- Management of settlement / pre-settlement credit risk</li> </ul>
		1.2	Internal control as a protection against overexposures, errors and frauds: <ul style="list-style-type: none"> <li>- Organization structure and segregation of duties</li> <li>- Position limits and VaR limits for dealers</li> <li>- Monitoring and control of the dealing operation</li> <li>- Internal audit functions</li> <li>- Compliance issues</li> <li>- Ethical issues - The Code of Conduct &amp; Practice of TMA</li> </ul>

Chapter 2: Foreign Exchange, Money Market & Derivatives			
1.	Foreign Exchange Market	1.1	Spot market: spot rate, value date, direct and indirect quotations, reciprocal rate. One-way and two-way quotations, and cross rate.
2.	Money and Capital Markets	2.1	The Hong Kong Dollar market: <ul style="list-style-type: none"> <li>- Market structure and participants</li> <li>- the Linked Exchange Rate system and Exchange Fund operation</li> <li>- Interbank placement and money rate (HIBOR) fixing mechanism</li> <li>- HKMA discount window, repo between CMU member banks of USD CHATS, repo of Exchange Fund Bills and notes for intraday overdraft</li> <li>- Certificate of Deposit, RMB corporate bond HKD Government Bond issuance program</li> </ul>
		2.2	International market: <ul style="list-style-type: none"> <li>- Eurodollar bond, Eurozone bond, floating rate note, government securities</li> <li>- Eurodollar Interbank Money rate (LIBOR) fixing mechanism</li> <li>- Central bank bond repurchase programs and</li> </ul>

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

Chapter 3: Treasury Operation			
1.	Treasury Operations	1.1	<p>Operations in front office</p> <ul style="list-style-type: none"> <li>- interbank trading, proprietary trading, corporate treasury</li> </ul>
		1.2	<p>Operations in middle office</p> <ul style="list-style-type: none"> <li>- Treasury accounting (International Financial Reporting Standard 9), risk management, regulatory compliance, internal audit</li> </ul>
		1.3	<p>Operations in back office</p> <ul style="list-style-type: none"> <li>- cash management, payment and settlement processing</li> <li>- trades / position/ cash account reconciliation</li> <li>- operations process control – access right, setting levels of authorization, amendments</li> </ul>

		1.4	<p>and cancellation</p> <p>Treasury Markets Association Code of Conduct and Practice</p> <ul style="list-style-type: none"> <li>- General Standards</li> <li>- General Controls</li> <li>- Dealing Principles</li> <li>- Risk Management Principles</li> <li>- Back-Office Practices</li> <li>- Market Specific Dealing Practices and Conventions</li> </ul>
2.	Market Risk Measures	2.1	Risk consideration and control: country risk, counter-party risk, market risk, operations risk and settlement credit risk.
		2.2	<p>Mark to market, calculation of VaR (Value at Risk), tools to manage financial risk, monitoring and compliance.</p> <ul style="list-style-type: none"> <li>- exposures limit considerations, assessment and review process</li> </ul>
3.	Payment and settlement systems Risk Management	3.1	<p>Payment and Settlement systems</p> <ul style="list-style-type: none"> <li>- RTGS clearing and settlement system – major currencies and RMB, linkage of CHATS to international settlement systems including securities clearing and custody(EuroClear),</li> <li>- Cross-boundary collateral management</li> </ul>
		3.2	<p>OTC Derivatives counterparty risk management</p> <ul style="list-style-type: none"> <li>- Standardized OTC derivative transactions <ul style="list-style-type: none"> <li>• cleared through Central Counterparties (CCPs),</li> <li>• traded on exchanges or electronic trading platforms</li> </ul> </li> <li>- Non-centrally cleared OTC derivative transactions <ul style="list-style-type: none"> <li>• Credit Valuation Adjustment (CVA)</li> </ul> </li> </ul>

Chapter 4: Case Studies			
1.	Case Studies	1.1	Risk Management & Control illustration: - operations risk on segregation of duties - settlement risk - liquidity risk
		1.2	Case studies on treasury fraud and/or control flaws

**E. Essential Readings**

✚ HKIB. (2014). Treasury Markets and Operations (1<sup>st</sup> ed.). Wiley

**F. Supplementary Readings**

✚ Andrew M. Chisholm. (2009). An Introduction to International Capital Markets: Products, Strategies, Participants (2nd ed.). Wiley.

✚ Heinz Rieh. (1999). Managing Risk in Foreign Exchange, Money and Derivative Markets. McGraw Hill.

✚ Moorad Choudhry. (2007). Bank Asset and Liability Management – Strategy, Trading, Analysis. Wiley.

**G. Further Readings**

✚ Bruce Tuckman and Angel Serrat. (2011). Fixed Income Securities: Tools for Today's Markets (3rd ed.). Wiley.

✚ John C. Hull. (2014). Options, Futures and Other Derivatives (9th ed.). Prentice Hall

✚ Joseph F. Sinkey. (2002). Commercial Bank Financial Management (6th ed.). Prentice Hall

✚ Simon Benninga. (2014). Financial Modeling (4th ed.). MIT.

✚ Steiner Robert. (2012). Mastering Financial Calculations: A Step-By-Step Guide to the mathematics of Financial Market Instruments. Pearson.

## Specialist Stream 3: Operations Management





### 5.5 Banking Law and Practice

#### A. *Module Objectives*

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

#### B. *Modules Intended Outcomes*


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

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

#### C. *Assessment Method*

-  Examination: Part I – Case Study question

Part II – THREE Essay questions out of FIVE

-  Passing mark for this module is 50%.

-  Time allowed: 3 hours.

**D. Syllabus**

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

Chapter 2: Banking Operations			
1.	Bills of Exchange and Other Banking Operations	1.1	Types of negotiable and quasi negotiable instruments
		1.2	Bills of Exchange <ul style="list-style-type: none"> <li>- Definition of a bill of exchange</li> <li>- Parties, elements in a bill of exchange</li> <li>- Dating, acceptance, negotiation of a bill</li> <li>- Indorsement, holder for value, holder in due course, forged or unauthorized Signature</li> <li>- Delivery, duties of holder, discharge of a bill</li> <li>- Bills of Exchange relating to collecting bankers and paying bankers</li> </ul>




		1.3	Promissory Notes <ul style="list-style-type: none"> <li>- Definition of a promissory note</li> <li>- Differences between promissory notes and bills of exchange</li> <li>- Liabilities of parties</li> </ul>
		1.4	Other Banking Operations <ul style="list-style-type: none"> <li>- Credit cards</li> <li>- Direct debits (e.g. ATM, EPS, Standing orders)</li> <li>- Investment advice</li> <li>- Safe custody</li> <li>- Ancillary financial services (e.g. Hire purchase, Factoring, Leasing)</li> <li>- Internet and phone banking</li> </ul>
Chapter 3: Law related to Security			
1.	Guarantee	1.1	Guarantees and indemnities distinguished
		1.2	Types of guarantee and formal requirements
		1.3	Liability of guarantor, guarantor's rights against the creditor and guarantor's rights against the debtor
		1.4	Rights of co-guarantors among themselves and discharge of the guarantor
2.	Mortgage of Land	2.1	Definition and creation of mortgage
		2.2	Legal and equitable mortgage
		2.3	Mortgagee's powers and remedies
		2.4	Mortgagor's rights
3.	Other Security Interests	3.1	Company Charges: Definition and creation of charge, fixed and floating charges, chargee's powers and remedies, chargor's rights.
		3.2	Pledge: Definition and creation of pledge, pledgee's powers and remedies, ledgor's rights.
		3.3	Hypothecation: Hypothecation and pledge.
		3.4	Company Shares: Mortgages of company shares, powers and remedies of mortgagees.
		3.5	Insurance Policies: Creation of security interest in different types of insurance policies
Chapter 4: Insolvency			
1.	Bankruptcy	1.1	Main functions of bankruptcy proceedings. Who may be made bankrupt? Who may present a bankruptcy petition?
		1.2	Grounds for commencement of a bankruptcy proceeding.

		1.3	The statutory demand.
		1.4	New concepts in bankruptcy: transactions at an undervalue, unfair preferences, extortionate credit transactions. Bankruptcy proceedings.
		1.5	Consequences of bankruptcy. Proof of debts. Setting off before proof. Property available for payment of debts.
		1.6	Trustees in bankruptcy.
		1.7	Discharge from bankruptcy.
		1.8	Voluntary arrangements
2.	Winding-up	2.1	Modes of winding up. Winding up by the court: jurisdiction, cases in which a company may be wound up by court, petition for winding up and effects thereof; commencement of winding up, consequences of a winding-up order, official receiver in winding up, liquidators, committee of inspection, general powers of court in case of winding up by court.
		2.2	Winding up by court by way of summary procedure.
		2.3	Winding up with a regulating order.
		2.4	Winding up of unregistered companies
		2.5	Assets of the company available for distribution: contributories, collection of the company's assets, onerous property.
		2.6	Voluntary winding up: resolutions for and commencement of voluntary winding up, consequences of voluntary winding up, declaration of solvency, members' voluntary winding up, creditors' voluntary winding up, powers and duties of the liquidator in a voluntary winding up, special procedure for voluntary winding up.
		2.7	Proof and ranking of claims, effects of winding up upon antecedent and other transactions, dissolution of a company, offences before and in the course of winding up.





### E. Essential Readings

 HKIB. Banking Law and Practice (1<sup>st</sup> ed.). John Wiley & Sons

**F. *Supplementary Readings***

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

**G. *Further Readings***

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




## 5.6 Operational Risk Management

### A. *Module Objectives*




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

### B. *Modules Intended Outcomes*

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

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

### C. *Assessment Method*

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

**D. Syllabus**

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

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

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

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

		4.5	Key risk exposure control and mitigation <ul style="list-style-type: none"> <li>- Risk assumption</li> <li>- Risk avoidance</li> <li>- Risk limitation</li> <li>- Risk planning</li> <li>- Research and acknowledgement</li> <li>- Risk transference</li> </ul>
		4.6	Contingency plan <ul style="list-style-type: none"> <li>- Reliability</li> <li>- Availability</li> <li>- Plan maintainability</li> </ul>
5.	Risk reporting	5.1	Introduction <ul style="list-style-type: none"> <li>- Steps to generate reports</li> <li>- Incident reports</li> <li>- Risk reports</li> <li>- Risk action reports</li> <li>- Risk summary reports</li> </ul>
		5.2	Heat map or operational risk profile business process mapping <ul style="list-style-type: none"> <li>- Business value</li> <li>- Performance</li> <li>- Maturity</li> <li>- Interconnectedness</li> <li>- Compliance and Governance</li> <li>- Processes</li> </ul>
		5.3	Key risk indicators (Preventive / BAU data) <ul style="list-style-type: none"> <li>- Definition</li> <li>- Role and purpose</li> <li>- Selecting risk indicators</li> <li>- Thresholds, limits and escalation triggers</li> </ul>
		5.4	Incidents and operational risk loss data reporting <ul style="list-style-type: none"> <li>- Embedding</li> <li>- Under &amp; over reporting</li> <li>- Thematic review</li> <li>- Timeliness</li> <li>- Lessons Learned</li> <li>- Confidence</li> </ul>
		5.5	Escalation (e.g. report to management, regulators) <ul style="list-style-type: none"> <li>- Escalations triggers</li> <li>- Resources overhead</li> <li>- Procedures</li> </ul>

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


Chapter 3: Regulatory Framework and Governance Structure			
1.	Regulatory requirements	1.1	Basel II Capital Accord on Operational Risk (BCBS 128) <ul style="list-style-type: none"> <li>- Business line mapping</li> </ul>
		1.2	Basel Committee's Sound Practices for the Management of Operational Risk
		1.3	HKMA SPM OR-1 and Banking Capital Rules Basel III
2.	Risk governance	2.1	Structure <ul style="list-style-type: none"> <li>- BCBS-principles for sound management of operational risk Principles 1, 2, 3, 4</li> <li>- HKMA-elements for a sound risk management system</li> <li>- Corporate governance</li> </ul>
		2.2	Roles and responsibilities of different parties (e.g. committee) <ul style="list-style-type: none"> <li>- Use of specialized committee</li> <li>- Role of internal control, compliance, risk management and internal audit</li> </ul>
		2.3	Relationship between RCSA, KRI and Operational


			<p>Risk Events</p> <ul style="list-style-type: none"> <li>- Interaction and how they work together</li> <li>- Action Plan and Reporting</li> <li>- Example</li> </ul>
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**E. Essential Readings**

 HKIB. Operational Risk Management (1<sup>st</sup> ed.). Wiley.

**F. Supplementary Readings**

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

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





**Specialist Stream 4: GBA and Cross-boundary Banking Management****5.7 GBA Banking Compliance and Cross-boundary Wealth Management****A. Module Objectives**

This module aims to develop candidates' comprehensive knowledge and required skillsets relating to the Greater Bay Area ("GBA") Banking Compliance and Cross-boundary Wealth Management, and to equip them with a strategic mindset for banking business development in the GBA. With the study of the policy statements, laws, rules, regulations, fintech development in respective areas, and case studies in the GBA, candidates will be able to develop a comprehensive understanding of the GBA financial landscape, financial institutions' operating models as well as their governance frameworks and areas of collaboration within the GBA and have them consolidated as part of banking business strategic development.




Together with social and cultural difference in terms of wealth management and product development, and other concepts related to the GBA banking business such as RMB Internationalisation also being covered in the module, candidates will be able to enhance their analytical skills to formulate structured and justified solutions or strategic planning on the GBA business development as part of their management decisions.

**B. Modules Intended Outcomes**

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

-  Analyse critically the structural difference between HK and Mainland China Banking Industry;
-  Consolidate the difference of laws and compliance between HK and Mainland China and comply with respective regulations when developing banking business strategies;
-  Evaluate the cultural difference between HK and Mainland China (GBA) customers for the generation of business in GBA wealth management;
-  Structure or develop justified solutions or strategic planning with parameters outlined for fintech and product development on launching for GBA wealth management markets.

**C. Assessment Method**

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

**D. Syllabus**

<b>Chapter 1: Overview of the Greater Bay Area (GBA) Financial Landscape (including non-banking financial institutions)</b>	
1.1	- Historical Background and Geographic Scope of the GBA
1.2	- Key Statistics and Economic Significance of the GBA
1.3	- Development Objectives of the GBA
1.4	- Overview of the GBA Financial Landscape: Opportunities and Challenges
1.5	- Key Relationships among Hong Kong and the other GBA cities
<b>Chapter 2: Banking Laws in Hong Kong and Mainland China (Qualification Certificate of Banking Professional (“QCBP”))</b>	
2.1	- Overview of Banking Laws and Regulatory Landscape in Hong Kong and Mainland China
2.2	- Overview of China’s Banking System and Operating Environment
2.3	- Key Considerations and Implications for Banks Operating in the GBA
2.4	- Regulatory Framework and Compliance Considerations in Mainland China
2.5	- Cross-boundary Compliance Challenges, Data Privacy Divergence and Risk Management Strategies
<b>Chapter 3: Wealth Management Market in HK and Mainland China</b>	
3.1	- Wealth Management Landscape and Market Trends in the GBA
3.2	- Wealth Management Products and Services in the GBA
3.3	- Growing Demands from High-Net-Wealth, Ultra-High-Net-Wealth and Family Office Population
3.4	- Cross-boundary Wealth Management Opportunities and Challenges
3.5	- Hong Kong’s Position in the GBA as an International Wealth Management Hub
<b>Chapter 4: Product Development, Investment Management and Regulations of Product Marketing in the GBA</b>	
4.1	- Product Development Strategies in the GBA
4.2	- Investment Products and Solutions in the GBA
4.3	- Digital Wealth Management in the GBA
4.4	- Cross-boundary Investment and Regulatory Considerations
<b>Chapter 5: Consumer Behaviour, Social and Cultural Difference between HK and Mainland China</b>	
5.1	- Understanding the GBA Client Segments
5.2	- Social and Cultural Considerations in Client Interactions
5.3	- Behavioural Finance in the GBA Wealth Management
5.4	- Tailoring Wealth Management Services for the GBA Clients
5.5	- Digital Client Engagement and User Experience

<b>Chapter 6: GBA Development, RMB Internationalisation and Cross-Boundary Financial Schemes</b>	
6.1	- Understanding China's Globalization Efforts and the Role of the GBA
6.2	- The Significance of the Cross-boundary Schemes: Stock Connect, Bond Connects, Swap Connect, Wealth Management Connect, Insurance Connect etc.
6.3	- RMB Internationalisation and its Significance in the GBA
6.4	- Key Infrastructure Projects and Economic Zones (e.g., Qianhai Cooperation Zone)
6.5	- Regulatory Landscape and Compliance Considerations
<b>Chapter 7: Channels for Business Development in Retail Wealth Management</b>	
7.1	- Evolution of Channels in Retail Wealth Management
7.2	- Conventional Channels vs. Digital Channels
7.3	- Fintech Tools for Enhancing Retail Wealth Management Distribution Channels
7.4	- Integrated Omni-channel Approach
7.5	- The Role of Relationship Managers in the Digital Era
<b>Chapter 8: Financial and Regulatory Innovation and Technology Adoption in the GBA Financial Industry</b>	
8.1	- Policies Driving the GBA Fintech and Regtech Development
8.2	- Comparison of Financial and Regulatory Innovation/Technological Adoption in the GBA
8.3	- ABCD (Artificial Intelligence/Robotics, Blockchain, Cloud Computing, Big Data)
8.4	- Web3, Decentralised Finance (DeFi) and Central Bank Digital Currency (CBDC)
8.5	- Compliance Implications, Cyber Security, Risk Management and Fraud Detection
<b>Chapter 9: Green, Sustainable Finance and Carbon Market Opportunities in the GBA</b>	
9.1	- Overview of Sustainable Finance and its Importance to the GBA Banking
9.2	- Introduction to Carbon Credit Trading and its Impact on the GBA Banking
9.3	- Key Players and Regulatory Framework in Mainland China
9.4	- Compliance Considerations in Voluntary Carbon Markets
9.5	- Cross-boundary Collaboration and Synergies within the GBA
<b>Chapter 10: Practical Cases in Mainland Banking and Finance (To be further updated*)</b>	
10.1	- Digital Transformation of a Mainland Banking
10.2	- Cross-boundary Financial Technology Collaboration
10.3	- Green Finance Initiatives in Mainland Banking
10.4	- Wealth Management Solutions for High-Net-Worth Individuals
10.5	- After-Sales Services Centre of an Insurance Company in the GBA
(*cases related to strategic decision making will be continuously sourced and integrated)	

### **E. Essential Readings**

-  HKIB Study Guide – GBA Banking Compliance and Cross-boundary Wealth Management

### **F. Supplementary Readings**

-  Books or journal articles:

- a. Chen, M., & Lin, Z. (2023). Economic Synergy and Financial Landscape of the Guangdong-Hong Kong-Macao Greater Bay Area. *Journal of Asian Economics*, 64, 45-60.
- b. Lau, H., & Chen, X. (2023). The Synergistic Potential of Financial Institutions in the Greater Bay Area. *Journal of Chinese Financial Studies*, 37(1), 52-68.
- c. Li, W., & Yang, Z. (2023). Green Growth and Sustainable Development in the Greater Bay Area: An Analysis of Policies and Practices. *China Environment and Development Review*, 10(1), 55-73.
- d. Tan, L., Zhang, Q., & Liu, P. (2023). Regulatory Challenges in the Financial Landscape of the Greater Bay Area. *Asian Journal of Law and Economics*, 40(1), 13-28.
- e. Wang, K., Chan, J., & Leung, D. (2023). Economic Policies and their Impact on the Greater Bay Area's Financial Ecosystem. *Chinese Economic Review*, 67(4), 175-192.
- f. Xu, L., & Song, H. (2023). Economic Cooperation and Technological Innovation in the Greater Bay Area: Prospects and Challenges. *Journal of Asian Business Studies*, 38(3), 1-18.
- g. Yang, J. (2022). Economic Synergistic Development of Guangdong-Hong Kong-Macao Greater Bay Area Urban Agglomeration: Based on Composite System. *Computational Intelligence and Neuroscience*, 2022, Article 7677188. <https://doi.org/10.1155/2022/7677188>
- h. Zhao, B., & Wong, C. (2023). A Study on the Emerging Non-banking Financial Institutions in the Greater Bay Area. *China Financial Research Review*, 18(2), 42-56.
- i. Zhu, Y., & He, C. (2019). The Greater Bay Area: A new regional geography from a cluster of cities to an urban region. *Eurasian Geography and Economics*, 60(4), 469-482.
- j. Lai, E. (2021). *One Currency, Two Markets: China's Attempt to Internationalize the Renminbi*, Cambridge, United Kingdom: Cambridge University Press.
- k. HE, Weiping. (2014). *Banking Regulation in China*. Palgrave Macmillan.
- l. 金融法比較研究" - 張國炎著 (顧肖榮, 吳志良, 費成康主編 中國大陸与港、澳、台地区法律比较叢书) 澳門基金会出版

-  Research Papers:

- a. "Future of Control – What does it mean for GBA" by Deloitte
- b. "Dominant Gateway to China" by Hong Kong Monetary Authority
- c. "Fintech Developments in the Greater Bay Area" by PwC
- d. "Unlock the Wealth Management Potential of GBA Investors" by Oliver Wyman

- e. National Bureau of Statistics of China. (2023). Statistical Communiqué of the People's Republic of China on 2022 National Economic and Social Development. Beijing: China Statistics Press
- f. "The Rise of Fintech in China" by Pascal Bouvier and Angela Strange (Harvard Business Review)
- g. "China's Green Finance Initiatives: Opportunities and Challenges" by Ma Jun and Zhang Ke (Brookings Institution)
- h. "The Future of Retail Banking in a Digital Age" by James R. Stock and Mark A. Lane (Deloitte Review)
- i. The rise of China's Greater Bay Area – McKinsey Company Report

🌐 Reports and Online Resources:

- a. Hong Kong Monetary Authority (HKMA) - Official Website
- b. People's Bank of China (PBOC) - Official Website
- c. The National Administration of Financial Regulation (NAFR)
- d. Greater Bay Area Development and Planning - Official Websites of Relevant Local Governments (Guangdong Province, Shenzhen, Guangzhou, Hong Kong, etc.)
- e. Fintech News Hong Kong - [fintechnews.hk](http://fintechnews.hk)
- f. "Global Wealth Report" by Credit Suisse Research Institute
- g. "China 2030: Building a Modern, Harmonious, and Creative Society" by The World Bank
- h. "RMB Internationalization: Progress, Challenges, and Prospects" - International Monetary Fund (IMF) Working Paper
- i. "GBA Outlook Opportunities in Insurance" by BOC Life
- j. "Wealth Management Connect in the GBA" by Deloitte
- k. "GBA Digest Series" by Deloitte
- l. "Connecting opportunities in the Greater Bay Area" by KPMG
- m. "A Lens on the Greater Bay Area" by KPMG
- n. "Keys to success in the Greater Bay Area" by KPMG
- o. "Cross-boundary Payment and Settlement Systems in the Greater Bay Area" by AoF
- p. "Financial Services in the Greater Bay Area: Developing a GBA Mind-set" by PwC [\[LINK\]](#)
- q. "A practical guide for setting up in Guangdong-Hong Kong-Macao Greater Bay Area via Hong Kong" by InvestHK and PwC
- r. "Greater Bay Area – Navigating the road toward an international innovation and technology hub" by EY
- s. "Seizing success and connectivity in the GBA: Financial Services" by CPA Australia Ltd
- t. "GBA Wealth Management Connect on the Horizon" by FSDC
- u. "Global Financial Service Regulatory Guide – China" by Baker McKenzie. [LINK](#)

🚦 Legal and Regulatory Documents:

- a. 中华人民共和国国民经济和社会发展第十四个五年规划和2035年远景目标纲要
- b. 中国人民银行 中国银行保险监督管理委员会 中国证券监督管理委员会 国家外汇管理局  
关于金融支持粤港澳大湾区建设的意见 -银发〔2020〕95号 [\[LINK\]](#)
- c. 中国人民银行 银保监会 证监会 外汇局 广东省人民政府 关于金融支持前海深港现代服务业合作区全面深化改革开放的意见 -银发〔2023〕42号- 2023年02月23日 [\[LINK\]](#)
- d. 商务部关于印发《广州市服务业扩大开放综合试点总体方案》的通知 -商资发〔2022〕212号 - 2022年12月29日 [\[LINK\]](#)
- e. 国务院关于印发广州南沙深化面向世界的粤港澳全面合作总体方案的通知 -国发〔2022〕13号 - 2022年6月6日 [\[LINK\]](#)
- f. 国家发展改革委 商务部关于深圳建设中国特色社会主义先行示范区放宽市场准入若干特别措施的意见 -发改体改〔2022〕135号 - 2022年1月24日 [\[LINK\]](#)
- g. 中國人民銀行與香港金融管理局簽署《關於在粵港澳大灣區開展金融科技創新監管合作的諒解備忘錄》 - HKMA - 2021年10月21日 [\[LINK\]](#)
- h. 人力资源社会保障部 财政部 国家税务总局 国务院港澳事务办公室关于支持港澳青年在粤港澳大湾区就业创业的实施意见 -人社部发[2021]75号 - 2021年09月23日 [\[LINK\]](#)
- i. 中共中央 国务院印发《全面深化前海深港现代服务业合作区改革开放方案》 - 2021-09-06 – [\[LINK\]](#)
- j. 中共中央 国务院印发《横琴粤澳深度合作区建设总体方案》 - 2021-09-05 – [\[LINK\]](#)
- k. 关于印发《粤港澳大湾区建设、长江三角洲区域一体化发展中央预算内投资专项管理办法》的通知 -发改地区规〔2021〕466号 - 2021/04/19 [\[LINK\]](#)
- l. 中华人民共和国国民经济和社会发展第十四个五年规划和2035年远景目标纲要 - 2021 年3月 [\[LINK\]](#)
- m. 科技部、深圳市人民政府關於印發《中國特色社會主義先行示範區科技創新行動方案》的通知
- n. 《推進粵港澳大灣區(廣東部分)氣象發展三年行動計劃(2021-2023年)》

- o. 中國人民銀行 中國銀行保險監督管理委員會 中國證券監督管理委員會 國家外匯管理局  
與香港金融管理局 香港證券及期貨事務監察委員會 澳門金融管理局關於在粵港澳大灣區  
開展“跨境理財通”業務試點的諒解備忘錄 [\[LINK\]](#)
- p. 文化和旅游部 粤港澳大湾区建设领导小组办公室 广东省人民政府关于印发《粤港澳大湾区  
区文化和旅游发展规划》的通知 - 文旅港澳台发〔2020〕98号 - 2020-12-24 [\[LINK\]](#)
- q. 国务院办公厅关于印发香港法律执业者和澳门执业律师在粤港澳大湾区内地九市取得内地  
执业资质和从事律师职业试点办法的通知 - 国办发〔2020〕37号 - 2020年10月22日  
[\[LINK\]](#)
- r. 中共中央办公厅 国务院办公厅印发《深圳建设中国特色社会主义先行示范区综合改革试  
点实施方案（2020 - 2025年）》 - 2020-10-11 [\[LINK\]](#)
- s. 外商投资准入特别管理措施（负面清单）（2020年版） - 2020年6月23日 [\[LINK\]](#)
- t. 中国人民银行 中国银行保险监督管理委员会 中国证券监督管理委员会 国家外汇管理局  
关于金融支持粤港澳大湾区建设的意见 - 银发〔2020〕95号 - 2020-05-14 [\[LINK\]](#)
- u. 中华人民共和国外商投资法实施条例 - 第723号 - 2019年12月26日 [\[LINK\]](#)
- v. 國家發展和改革委員會廣東省人民政府香港特別行政區政府澳門特別行政區政府深化粵  
港澳合作 推進大灣區建設框架協議 – [\[LINK\]](#)
- w. 粵港澳大灣區跨境理財通業務試點實施細則 HKMA
- x. On 10 January 2023, the Ministry of Commerce issued a notice on the issuance of a master  
plan for a comprehensive pilot scheme on further opening up the service sector in Guangzhou.  
(Shangzifa No.212 [2022]).
- y. “Open Guangzhou, Shared Opportunities” Further Opening Up of the Service Sector and  
Global Bay Areas Service Industry Cooperation Roundtable was held in Guangzhou on 25 May  
2023. The event was jointly organised by the Guangzhou Municipal Government and  
Guangdong Provincial Department of Commerce.
- z. Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area
- aa. National Development and Reform Commission People’s Government of Guangdong Province  
Government of the Hong Kong Special Administrative Region Government of the Macao  
Special Administrative Region Framework Agreement on Deepening Guangdong-Hong Kong-  
Macao Cooperation in the Development of the Greater Bay Area
- bb. "Banking Ordinance" by Hong Kong Legislative Council

- cc. "Measures for the Administration of Foreign-funded Banks" by China Banking and Insurance Regulatory Commission (CBIRC)
- dd. "Regulations on Renminbi Business of Domestic Banks" by People's Bank of China (PBOC)
- ee. China's Fintech Development Plan for 2022-2025
- ff. "Development Roadmap for the Insurance Sector in Hong Kong" – FSTB
- gg. "Keynote speech at the Bloomberg webinar: "Hong Kong & Greater Bay Area: Unlocking cross-border investment opportunities" by HKMA

## 5.8 Cross-boundary Banking Strategy and Management

### A. *Module Objectives*




This module aims to develop candidates' ability in strategic planning for bank development at a cross-boundary level with an international mindset. Apart from comprehensive understanding on China Finance and other emerging fields to be considered for banking strategy development such as climate risk, sustainable finance and RMB internationalisation, candidates would be equipped with comprehensive knowledge in firm behaviours in Mainland and HK, international standard and practice in both retail and corporate banking development, and risk factoring for critical analysis to enhance their competency to formulate strategic planning and propose solutions for banking management.

### B. *Modules Intended Outcomes*

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

-  Analyse firm behaviour in Mainland and propose justified solutions and recommendations on organization and management for banks;
-  Analyse critically the risk factors in both Mainland banking and international banking and consolidate for strategic development;
-  Apply the knowledge of climate risk and sustainable finance in relation to bank strategy;
-  Evaluate the feasibility of incorporating international standard into China banking, and consolidate evolving trends on future development of China banking;
-  Formulate strategic planning for retail and corporate banking and propose solutions on both organisation and people development and management.

### C. *Assessment Method*


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

**D. Syllabus**

<b>Chapter 1: China Finance</b>	
1.1	Major regulators in China
1.2	Major players in commercial banking and investment banking in China
1.3	China Corporate Structure
1.4	Credit underwriting in China
1.5	RMB Internationalisation
1.6	Digital currency market and development in China
<b>Chapter 2: Capital Raising and Funding Channels in Mainland and Hong Kong</b>	
2.1	Onshore and Offshore Capital Raising / Funding Channels for Corporates / Financial Institutions in China
2.2	Overview of investment banking sector in Mainland and Hong Kong
2.3	Equity capital markets in Mainland and Hong Kong
2.4	Debt capital markets in Mainland and Hong Kong
<b>Chapter 3: Sustainable Finance</b>	
3.1	Green loans and sustainability-linked loans
3.2	Green bonds and sustainable bonds
3.3	Client engagement strategy in ESG transition
3.4	Strategic collaboration with service providers
3.5	Emergence of Blue Finance
<b>Chapter 4: Climate-related Risk Management</b>	
4.1	Climate risk challenges for the banking industry
4.2	Measuring climate risk
4.3	Climate risk regulatory oversight
<b>Chapter 5: Managing Organisation and People</b>	
5.1	Organisational Management in Banking globally and in China
5.2	Bank behaviour in China
5.3	Bank professional compensation practice globally and in China
5.4	Objective setting and performance review globally and in China
<b>Chapter 6: Risk management in Mainland banking and international banking</b>	
6.1	Credit risk management regulation and practice globally and in China
6.2	Market risk management regulation and practice globally and in China
6.3	Operational risk management regulation and practice globally and in China
6.4	Reputation risk management regulation and practice globally and in China
<b>Chapter 7: International Bank Capital and AML Standard and Practice</b>	
7.1	Central bank supervision
7.2	Basel III and its integration in International Banking and or China Banking
7.3	Anti-money laundering, KYC and Sanction Monitoring

<b>Chapter 8: Strategic Development in Corporate and Investment Banking</b>	
8.1	Digitalization and Transformation
8.2	SWOT on Cross-boundary business
8.3	Belt and Road
8.4	Emerging of future banking era for International Banking and or China Banking
<b>Chapter 9: Practical cases in Mainland Banking and Finance (To be further updated*)</b>	
9.1	One green finance case
9.2	One international bank in Mainland
9.3	One Chinese bank in Hong Kong
9.4	One Chinese corporate going global (overseas investment)
(*cases related to strategic decision making will be continuously sourced and integrated)	

### **E. Essential Readings**

-  HKIB. Study Guide – Cross-boundary Banking Strategy and Management

### **F. Supplementary Readings**

#### Books and journal articles:

- a. HE, Weiping. (2014). Banking Regulation in China. Palgrave Macmillan.
- b. Princeton University Press: The Handbook of China's Financial System. (2020).
- c. Financial Services Marketing: An International Guide to Principles and Practice. (2018).
- d. Kogan Page: Climate Change Enterprise Risk Management: A Practical Guide to Reaching Net Zero Goals. (2022).
- e. Wiley: Bank Management. (2014).
- f. Crook, J.M., Hei, D. & Stacey, G. The International Stem Cell Banking Initiative (ISCBI): raising standards to bank on. In Vitro Cell.Dev.Biol.-Animal 46, 169–172 (2010).
- g. Financial Cooperation and Regulation Along the Belt and Road. (2024).
- h. Pervez, A., Mansour, N., Bansal, R. (2022). A Study on the Implementation of International Banking Standards by BCBS with Special Reference to Basel III Norms in Emerging Economies: Review of Empirical Literature. In: Alareeni, B., Hamdan, A. (eds) Artificial Intelligence and COVID Effect on Accounting. Accounting, Finance, Sustainability, Governance & Fraud: Theory and Application. Springer, Singapore. [https://doi.org/10.1007/978-981-19-1036-4\\_10](https://doi.org/10.1007/978-981-19-1036-4_10)
- i. The Impact of Digital Transformation and FinTech on the Finance Professional
- j. Guibaud, Sophie. (2016). How to develop a profitable, customer-focused digital banking strategy: Open banking services and developer-friendly APIs. Journal of Digital Banking
- k. "The effects of economic, environmentally and socially related SDGs strategies of banking institutions on their customers' behavior": <https://doi.org/10.1016/j.wds.2023.100051>
- l. Green banking: a strategy for attainment of UN-Sustainable Development Goals 2030Syed Asim Ali Bukhari, Fathyah Hashim and Azlan Amran. Published Online: October 26, 2022pp 13-31. <https://doi.org/10.1504/IJESD.2023.127419>

#### Research papers:

- a. ICC: International Standard Banking Practice – English. (2023).
- b. ALPMA: Green Loan Principle. (2023).
- c. ICMA: Green Bond Principles. (2022).
- d. "Fintech Developments in the Greater Bay Area" by PwC. (2018).

#### Reports and Online Resources:

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- a. Reports and online resources: Law of the People's Republic of China on The People's Bank of China <http://www.pbc.gov.cn/english/130733/2941519/2015082610501049304.pdf>
- b. Monetary Policy Transmission and Policy Coordination in China <https://www.imf.org/-/media/Files/Publications/WP/2022/English/wpia2022074-print-pdf.ashx>
- c. UOB China Annual Report. (2022).
- d. Basel III study. [https://www.weil.com/~media/files/pdfs/Basel\\_III\\_May\\_2011.pdf](https://www.weil.com/~media/files/pdfs/Basel_III_May_2011.pdf)
- e. "RMB Internationalization: Progress, Challenges, and Prospects" - International Monetary Fund (IMF) Working Paper
- f. Hong Kong Monetary Authority (HKMA) - Official Website
- g. People's Bank of China (PBOC) - Official Website

 Reports and Online Resources:

- a. HKMA: Risk Management Framework Supervisory Policy Manual. (2017).
- b. Basel III: A global regulatory framework for more resilient banks and banking systems. <https://www.bis.org/publ/bcbs189.pdf>
- c. 中国人民银行 中国银行保险监督管理委员会 中国证券监督管理委员会 国家外汇管理局 关于金融支持粤港澳大湾区建设的意见 -银发〔2020〕95号[LINK]
- d. 中国人民银行 银保监会 证监会 外汇局 广东省人民政府 关于金融支持前海深港现代服务业合作区全面深化改革开放的意见 -银发〔2023〕42号- 2023年02月23日 [LINK]

 Regulatory documents:

- a. HKMA: Risk Management Framework Supervisory Policy Manual. (2017).
- b. Basel III: A global regulatory framework for more resilient banks and banking systems. <https://www.bis.org/publ/bcbs189.pdf>
- c. 中国人民银行 中国银行保险监督管理委员会 中国证券监督管理委员会 国家外汇管理局 关于金融支持粤港澳大湾区建设的意见 -银发〔2020〕95号[LINK]
- d. 中国人民银行 银保监会 证监会 外汇局 广东省人民政府 关于金融支持前海深港现代服务业合作区全面深化改革开放的意见 -银发〔2023〕42号- 2023年02月23日 [LINK]

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## Specialist Stream 5: Fintech Management

### 5.9 Fintech Management

For exemption only. Holders of the Professional Certificate for ECF on Fintech or respective grandfathered certificate are eligible to apply for ECF on Fintech (Professional Level) module exemption.

For details, please refer to “ECF-Fintech”: <https://www.hkib.org/page/234>

## Core Module: Strategic Management and Leadership

### 5.10 Strategic Management and Leadership

#### A. Module Objectives

This module aims to provide individuals with the knowledge, tools and techniques to understand and be prepared for strategic planning, implementation and management with relevant leadership skillsets. Samples from international and local banking industries will be incorporated in the content for learners to have a better understanding of strategic management around the globe.

#### B. Modules Intended Outcomes

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

- ✚ Evaluate the different strategic management and organisational concepts and their role within a banking context;
- ✚ Discuss how strategy is determined and the strategic options available within a banking context;
- ✚ Analyse how strategy can be implemented, monitored and evaluated within a banking and finance context;
- ✚ Evaluate how disruptive innovation is changing the banking landscape;
- ✚ Adopt the good practice of real-life strategic management and planning, in which risk management, compliance and updates from regulator being taken into consideration, demonstrated by top executives in banking.

#### C. Assessment Method\*

✚ Examination: Final Case Study Assessment (for all streams under CB Stage)

Final Case Study Assessment	Weighting	Assessment Methodology and Duration	Pass Mark
Final Case Study Assessment	70%	No less than 3,000 words (6-week take-home assignment)	50%
Oral Assessment	30%	Oral presentation to the assessment panel members (half an hour)	

\*There is not any individual assessment for this module, candidates would only be tested on their knowledge in this area should they choose to sit in the Final Case Study Assessment under CB Stage.

**D. Syllabus (Part A) Knowledge of Strategic Management and Leadership in a global context**  
*(in collaboration with London Institute of Banking and Finance)*

<b>Chapter 1: The concept and role of strategy</b>	
1.1	Understanding strategy
1.2	Strategy within banking and finance
1.3	The exploring strategy framework
1.4	Levels of strategy
<b>Chapter 2: External drivers for strategic change</b>	
2.1	The external environment I
2.2	The external environment II
2.3	External environment factors impacting on the banking and finance industry
2.4	PESTEL
2.5	Corporate social responsibility and ethical issues
2.6	Forces that shape the competitive environment
<b>Chapter 3: The internal environment</b>	
3.1	Strategic capability
3.2	The value chain
3.3	SWOT
3.4	Corporate governance
3.5	Strategy and stakeholders
3.6	Organisational culture
<b>Chapter 4: Introduction to leadership and management strategies</b>	
4.1	Leadership
4.2	Leadership timeline
4.3	The behavioural (or style) approach
4.4	The contingency (or situational) approach
4.5	Newer approaches
4.6	Contemporary leadership
4.7	The impact of leadership styles on motivation, organisational morale and a team's performance
4.8	Team leadership and team leadership skills
4.9	Virtual teams I, II
4.10	The selection, development and training of managers
4.11	Emotional intelligence
<b>Chapter 5: Identifying strategic options and choices</b>	
5.1	Business-level strategies
5.2	Corporate-level strategy
5.3	Corporate parenting
5.4	Managing a diversified organisation I, II
5.5	Developing international strategies
5.6	Choosing methods to achieve growth strategies
<b>Chapter 6: Evaluation of strategic options and choices</b>	
6.1	Evaluating strategic choices
6.2	Measuring performance and strategy development

6.3	Risks and threats for strategy development
6.4	Innovation
6.5	Alternative perspectives on strategy development
6.6	Who is involved in strategy development?
<b>Chapter 7: Change management</b>	
7.1	Definition of change management
7.2	Types of change
7.3	Forces for organisational change
7.4	Managing change I, II
7.5	The challenges of implementing and managing change
7.6	The impact of change and reactions to change
7.7	Change versus stability – why change can fail
<b>Chapter 8: The challenges of strategy implementation</b>	
8.1	Leading strategy
8.2	Leadership styles for implementing strategy
8.3	Communicating strategy
8.4	Organisational culture
8.5	Evidencing culture
8.6	Types of culture
8.7	Managing organisational culture
<b>Chapter 9: Organisational structures</b>	
9.1	Organisational structure
9.2	Elements of organisational structures
9.3	Common organisational designs
9.4	Choosing the most appropriate structure
9.5	Power and influence in organisations
9.6	Contemporary issues and trends in organisational structure and power
9.7	Newer organisational designs
<b>Chapter 10: Monitoring and evaluating the effectiveness of strategy</b>	
10.1	Control and decision-making
10.2	The process of decision-making
10.3	Factors affecting decision-making
10.4	Internal and external forms of control
10.5	The dangers of planning and control systems I, II
10.6	The impact of control systems on individual and organisational behaviour
10.7	Budgetary control and behaviour
10.8	Monitoring and evaluating strategy
10.9	Benchmarking
<b>Chapter 11: The importance of strategic innovation in financial services</b>	
11.1	The concept of disruptive innovation
11.2	External influences that have changed the banking landscape
11.3	Disruption of the banking value chain
<b>Chapter 12: Becoming a data-driven organisation through digital transformation</b>	
12.1	The role of data in the digital economy

12.2	Defining a data-driven organization
12.3	Impact of being a data-driven organization
12.4	Data management challenges
12.5	Digital transformation
12.6	Effective digital approaches to business transformation
12.7	Digital transformation challenges in banking

**Syllabus (Part B) Additional tailored and localised contents offered by HKIB:**

<b>Session 1: Sharing by top bankers (such as C-level bankers or Honorary Certified Bankers)</b>	
1.1	Importance of Regulator, Compliance, and Risk Management for Internal Control
1.2	Case study on bank's Strategic Management
1.3	Experience sharing on strategic planning, execution and evaluation
<b>Session 2: Sharing at the Annual Banking Conference</b>	
2.1	CEO Panel - content will be updated annually
2.2	Other panel discussion – content will be updated annually

**E. Essential Readings**

 London Institute of Banking & Finance Study Guide –

Study pack of Strategic Management & Innovation in Banking (SMIB) – Strategic Management and Digital Transformation in Banking (SMDT)

**F. Supplementary Readings**

 Chapter 1:

- a. Agile Business Consortium (2019) Business agility [online]. Available at:  
<https://www.agilebusiness.org/business-agility> [Accessed: 4 January 2019].
- b. Choo, J. and Christison, G. (2019) The strategy journey.
- c. Econsultancy (2018) 2018 Digital trends in financial services [pdf]. Available at:  
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[https://www.images2.adobe.com/content/dam/acom/uk/modal-offers/pdfs/Econsultancy-2018-Digital-Trends-FS\\_EMEA.pdf](https://www.images2.adobe.com/content/dam/acom/uk/modal-offers/pdfs/Econsultancy-2018-Digital-Trends-FS_EMEA.pdf) [Accessed: 4 January 2019].
- d. Johnson, G., Whittington, R., Scholes, K., Angwin, D. and Regnér, P. (2017) Exploring strategy: text and cases. 11th ed. Harlow: Pearson Education Ltd, Proquest Ebook Central. Available through KnowledgeBank website at:  
<https://study.libf.ac.uk/refer.php?resource=ebookcentral&id=5186321> [Accessed: 8 January 2018].
- e. strategy& (2017) Over a third of major UK companies have appointed a digital transformation

leader [online]. Available at: <https://www.strategyand.pwc.com/uk/press/uk-companies-appointed-cdo> [Accessed: 4 January 2019].

#### Chapter 2:

- a. Addison, R. (2018) FCA considers regulating crypto currencies. FT Adviser [online]. Available at: <https://www.ftadviser.com/regulation/2018/12/20/fca-considers-regulating-crypto-currencies/> [Accessed: 28 January 2019].
- b. Johnson, G., Whittington, R., Scholes, K., Angwin, D. and Regnér, P. (2017) Exploring strategy: text and cases. 11th edn. Harlow: Pearson Education Ltd, Proquest Ebook Central. Available through KnowledgeBank website at: <https://study.libf.ac.uk/refer.php?resource=ebookcentral&id=5186321> [Accessed: 8 January 2018].
- c. Lynch, R. L. (2015) Strategic management. 7th edn. Harlow: Pearson Education Ltd.
- d. Milligan, B. (2018) Banks could have to pay out ‘billions’ more in PPI claims. BBC News [online]. Available at: <https://www.bbc.co.uk/news/business-44696362> [Accessed: 15 January 2019].
- e. PwC (2016) Financial services technology 2020 and beyond: embracing disruption [online]. Available at: <https://www.pwc.com/gx/en/financial-services/assets/pdf/technology2020-and-beyond.pdf> [Accessed: 11 January 2019].
- f. Sardá, R. and Pogutz, S. (2019) Corporate sustainability in the 21st century: increasing the resilience of social-ecological systems. Oxon: Routledge.

#### Chapter 3:

- a. Business Dictionary (2019) Organizational knowledge [online]. Available at: <http://www.businessdictionary.com/definition/organizational-knowledge.html> [Accessed: 30 January 2019].
- b. Johnson, G., Whittington, R., Scholes, K., Angwin, D. and Regnér, P. (2017) Exploring strategy: text and cases. 11th edn. Harlow: Pearson Education Ltd, Proquest Ebook Central. Available through KnowledgeBank website at: <https://study.libf.ac.uk/refer.php?resource=ebookcentral&id=5186321> [Accessed: 8 January 2018].

#### Chapter 4:

- a. Cherry, K. (2018a) Intrinsic motivation [online]. Available at: <https://www.verywellmind.com/whatis-intrinsic-motivation-2795385> [Accessed: 30 January 2019].
- b. Cherry, K. (2018b) Extrinsic motivation [online]. Available at: <https://www.verywellmind.com/differences-between-extrinsic-and-intrinsic-motivation-2795384> [Accessed: 30 January 2019].
- c. Edelman (2018) 2018 Edelman trust barometer [pdf]. Available at:

[https://www.edelman.com/sites/g/files/aatuss191/files/2018-](https://www.edelman.com/sites/g/files/aatuss191/files/2018-10/Edelman_Trust_Barometer_Financial_Services_2018.pdf)

[10/Edelman\\_Trust\\_Barometer\\_Financial\\_Services\\_2018.pdf](https://www.edelman.com/sites/g/files/aatuss191/files/2018-10/Edelman_Trust_Barometer_Financial_Services_2018.pdf) [Accessed: 22 January 2019].

- d. Huczynski, A. and Buchanan, D. (2013) Organizational behaviour. ProQuest [online]. Available through KnowledgeBank website at:  
<https://study.libf.ac.uk/refer.php?resource=myilib&id=5138066> [Accessed: 16 January 2019].
- e. Northouse, P. (2013) Leadership: theory and practice. 6th edn. Sage.
- f. Peston, R. (2013) How did Flowers bloom at Co-op Bank [blog], 18 November 2013. Available at: <https://www.bbc.co.uk/news/business-24984680> [Accessed: 16 January 2019].
- g. Shipilov, A., Galunic, C. C. J. and Clement, J. (2018) Why great networkers are sometimes bad for creative projects. Harvard Business Review [online]. Available at:  
<https://hbr.org/2018/04/whygreat-networkers-are-sometimes-bad-for-creative-projects> [Accessed: 22 January 2019].
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<https://www.imd.org/researchknowledge/articles/overture-develop-agility-for-digital-business-transformation/> [Accessed: 16 January 2019].
- i. Yukl, G. (2013) Leadership in organizations. 8th edn. Upper Saddle River, NJ: Prentice-Hall.

#### Chapter 5:

- a. Cavaglieri, C. and Knight, J. (2013) Why the return of TSB to the high street feels like shotgun divorce. Financial Times [online], 14 September 2013. Available at:  
<https://www.independent.co.uk/money/spend-save/why-the-return-of-tsb-to-the-high-street-feelslike-shotgun-divorce-8816672.html> [Accessed: 14 February 2019].
- b. Henderson, A., Farrell, L. and Green, A. (2015) Financial services M&A: a competition role for the FCA? Butterworths Journal of International Banking and Financial Law, October 2015, 9(2015), p1–3, [pdf]. Available at:  
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- e. Megaw, N. (2018b) TSB to sever last of its links to Lloyds Banking Group. Financial Times [online], 21 April 2018. Available at: <https://www.ft.com/content/ab774d72-449e-11e8-803a-295c97e6fd0b> [Accessed: 14 February 2019].
- f. Megaw, N. (2019) Starling raises £75m as it plots European expansion. Financial Times [online], 13 February 2019. Available at: <https://www.ft.com/content/3580018c-2f66-11e9-ba00-0251022932c8> [Accessed: 14 February 2019].

#### Chapter 6:

- a. Barclays (2013) Balanced scorecard [pdf]. Available at: <http://www.resources.barclays.com/citizenshipreport/downloads/pdf/balanced-scorecard.pdf> [Accessed: 6 February 2019].
- b. Doblin (2015) Ten types of innovation [pdf]. Available at: [https://www.doblin.com/dist/images/uploads/Doblin\\_TenTypesBrochure\\_Web.pdf](https://www.doblin.com/dist/images/uploads/Doblin_TenTypesBrochure_Web.pdf) [Accessed: 6 February 2019].
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- d. Lynch, R. (2015) Strategic management. 7th edn. Harlow: Pearson Education.
- e. Slack, N., Brandon-Jones, A. and Johnston, R. (2013) Essentials of operations management, 7th edn. Harlow: Pearson Education.

#### Chapter 7:

- a. Agile Business Consortium (2019) Business agility [online]. Available at: <https://www.agilebusiness.org/business-agility> [Accessed: 6 March 2019].
- b. Huczynski, A. and Buchanan, D. (2013) Organizational behaviour. 8th edn. Pearson, Proquest eBook Central [online]. Available through KnowledgeBank website at: <https://study.libf.ac.uk/refer.php?resource=ebookcentral&id=5138066> [Accessed: 18 March 2019].
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- f. Salz, A. (2013) An independent review of Barclay's business practices. London: Barclays.

 Chapter 8:

- a. Alkan, C. (2014) A moral obligation. Financial World, Aug/Sept 2014 [online]. Available at: <https://fw.libf.ac.uk/archive/2014/august---september/a-moral-obligation> [Accessed: 19 March 2019].
- b. CIPD (2015) Show me the money! The behavioural science of reward [pdf]. Available at: [https://www.cipd.co.uk/Images/show-me-the-money\\_2015-behavioural-science-of-reward\\_tcm18-9560.pdf](https://www.cipd.co.uk/Images/show-me-the-money_2015-behavioural-science-of-reward_tcm18-9560.pdf) [Accessed: 19 March 2019].
- c. HMSO (2013) Changing banking for good [pdf]. Available at: <https://www.parliament.uk/documents/banking-commission/Banking-final-report-volume-i.pdf> [Accessed: 28 March 2019].
- d. Jeffrey, R. (ed.) (2013) The 20 best organisations for HR ever. People Management, June 2013, p26–39.
- e. Johnson, G., Whittington, R., Scholes, K., Angwin, D. and Regnér, P. (2017) Exploring strategy: text and cases. 11th edn. Harlow: Pearson Education Ltd, Proquest Ebook Central. Available through KnowledgeBank website at: <https://study.libf.ac.uk/refer.php?resource=ebookcentral&id=5186321> [Accessed: 19 March 2019].
- f. Judy, J. (2014) Consider post-merger culture before pursuing a deal. Financial Review, 15 February 2014, p6–7.
- g. Santander (2018) Santander Hackathon [online]. Available at: [santanderhackathon.co.uk](http://santanderhackathon.co.uk) [Accessed: 19 March 2019].
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## 6. Learning Support

### HKIB Resources Corner Support

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

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

### E-learning Resources

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

### Market Information Updates

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

## 7. Programme Enrolment

### A. Programme Schedule

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

### B. Medium of Instruction

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

### C. Training Duration

	Advanced Diploma for Certified Banker (Stage I)	Professional Diploma for Certified Banker (Stage II)	Postgraduate Diploma for Certified Banker (CB Stage)
Training Programme Mode	Lecture		
Training Duration	9 hours <sup>1</sup>	15 hours	30 hours + Self-paced learning + sharing sessions

### D. Learning Effort

Candidates are advised to spend for each module:

- i) Advanced Diploma: 100 learning hours<sup>2</sup>; OR  
200 learning hours (for ECF module only)
- ii) Professional Diploma: 300 learning hours
- iii) Postgraduate Diploma: 300 learning hours + Self-paced learning + sharing sessions

<sup>1</sup> For the elective module *ECF- AML/CFT (Core Level)*, learners can select 6 or 15 training hours based on their needs. For more details, please refer to the AML/CFT Certificates Handbook.

<sup>2</sup> Learning time refers to the amount of time an average learner is expected to take to complete all learning pertaining to the module / programme, and achieve the learning outcomes of the module / programme. It includes time spent on all learning modes and activities, such as lectures, laboratories, workshops, guided learning, self-study, projects, assignments and assessments. Learning time is expressed in learning hours, and includes contact hours, self-study hours and assessment hours.

### **E. Programme Application**



- ✚ Applicants can submit the application via [MyHKIB](#). Attention should be paid to the application deadline, or a late entry fee will be charged.

#### Application Requirements:

- ✚ The information provided for the training enrolment must be true and clear.
- ✚ Inaccurate or incomplete applications may not be accepted even if the applicant has paid the training fee.
- ✚ HKIB reserves the right to reject late applications and/or any applications deemed inappropriate. Once HKIB has received your application, NO alterations to the training arrangement are allowed.
- ✚ HKIB reserves the right to change the training dates and the application deadlines at any time.

### **F. Programme Fee and Payment**

- ✚ A digital version of training materials will be provided before the training commencement. Printed version will only be available at an additional cost of HKD600 (including delivery fee) on request by learners.
- ✚ Applicants should pay the training fee as follows:
  - (a) By credit card.
  - (b) By Alipay.
  - (c) By WeChat Pay.
- ✚ Application without successful payment will **NOT** be processed.
- ✚ All payments must be settled before the start of the Programme. **NO** fees are refunded or transferred under any circumstances.
- ✚ Applicants are advised to keep a record of their payments.
- ✚ An email of training confirmation will be sent to applicants at least **five working days prior to the training date**.
- ✚ Late training enrolment will be accepted after the stipulated application deadline up to seven days before course commencement to allow us to administer the application. A late entry fee of HKD200 (in addition to the training fee) will apply.
- ✚ HKIB reserves the right to adjust training application, study guide and/or administration surcharge fees (if applicable), at any time.

-  HKIB student members can enjoy 25% off training fee discount.
-  The CB Stage modules listed below have been approved in the list of reimbursable courses for WAM pilot programme. For WAM pilot programme applicants, 80% of the course fee (examination fee excluded) will be reimbursed upon meeting the 80% attendance requirement. For more details, please visit: [www.wamtalent.org.hk](http://www.wamtalent.org.hk).

#### Treasury Management

- Bank Asset and Liability Management
- Treasury Markets and Operations

#### Operation Management

- Banking Law and Practice
- Operational Risk Management

#### GBA and Cross-boundary Banking Management

- GBA Banking Compliance and Cross-boundary Wealth Management
- Cross-boundary Banking Strategy and Management

## 8. Examination Enrolment and Regulations

### A. 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%
<b>Professional Diploma Modules</b>	✚ Multiple Choice Questions ✚ Essay Questions / Case Study	3 hours	60%
<b>Postgraduate Diploma Modules</b>	✚ Essay Questions	3 hours	50%
<b>Final Case Study Assessment and Oral Assessment</b>	Final Case Study Assessment and Oral Assessment ✚ 6-week Take-Home Assignment ✚ Oral Assessment	6 weeks 0.5 hours	50%

To attain the Postgraduate Diploma in a specialist stream, candidates are required to complete the core module and obtain a pass in the Final Case Study Assessment and Oral Assessment of the respective stream upon completion of TWO Postgraduate Diploma modules in the same stream (if applicable).

### ***Final Case Study Assessment and Oral Assessment***

#### ***Prerequisites***

Completion of the two specialist modules in the selected stream (if applicable)

#### ***Objectives***

The objective of the postgraduate diploma programme is to equip candidates with comprehensive conceptual and practical knowledge in a specialized area of banking and develop candidates with research skills to adopt an analytical approach in developing strategies to tackle different scenarios that may arise in real-life situation. Therefore, the Final Case Study Assessment and Oral Assessment is to test the ability of candidates to investigate critical issues and conduct critical analysis for decision making in real life problems. It aims to test whether a candidate can consolidate and evaluate the wide range of complex concepts, models and specialised knowledge in a discipline and apply them in real-life scenarios.

### ***Highlight***

The Final Case Study Assessment consists of two parts: a take-home assignment and an oral assessment



Candidates will receive the "Final Case Study Assessment" documents 6 weeks prior to the oral assessment via email. They are required to submit the "take-home assignment" according to the instruction provided in the email.

Candidates are required to be present at the oral assessment of their final case study assessment. Apart from presenting, they will also be required to answer any inquiry raised by the Panel.



For more details, please refer to the final case study assessment FAQ.

### ***Assessment Method***

#### **Final Case Study Assessment (70%)**

-  Passing mark: 50%
-  Time allowed: 6 weeks

#### **Oral Assessment (30%)**

-  Passing mark: 50%
-  Time allowed: 0.5 hour

Candidates must submit the Final Case Study Assessment, attend the oral assessment and pass both assessments.

**B. Grading**

	Advanced Diploma Modules	Professional Diploma Modules	Postgraduate Diploma Modules / Final Assessment: Case-based assessment and oral presentation
<b>Pass with Distinction</b>	Above 90%	Above 85%	Above 80%
<b>Pass with Credit</b>	80-90%	75-85%	65-80%
<b>Pass</b>	70-79%	60-74%	50-64%
<b>Fail A</b>	60-69%	56-59%	46-49%
<b>Fail B</b>	50-59%	46-55%	36-45%
<b>Fail C</b>	Below 50%	Below 46%	Below 36%

**C. Examination Timetable**

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

#### **D. Examination Application**

- ✚ Candidates taking current training classes can choose to sit for the current examination or any subsequent ones. They can choose to sit for subsequent examinations but if the corresponding programme has been changed or updated, they may be required to re-take the training in order to be eligible for module examination.
- ✚ Applicants can submit the application via [MyHKIB](#). Attention should be paid to the application deadline, or a late entry fee will be charged. The information provided on the application form must be true and clear.
- ✚ Late examination enrolment will be accepted after the stipulated application deadline up to 14 days before examination date, to allow us to administer the application. A late entry fee of HKD 200 (in addition to the examination fee) will apply.
- ✚ Inaccurate or incomplete applications may not be accepted even if the applicant has paid the examination fee.
- ✚ Under no circumstances are changes to module entry allowed.
- ✚ HKIB reserves the right to reject late applications and/or any applications deemed inappropriate. Once HKIB has received the application, NO alterations to the examinations and examination arrangements are allowed.
- ✚ HKIB reserves the right to change examination dates and application deadlines at any time.

#### **E. Examination Approaches**

There are two examination approaches available and candidates may choose either one which is best fit for them.

- ✚ Face-to-face Examination: Traditional face-to-face examinations will be conducted at designated venues arranged by HKIB. Candidates are required to take examinations at specific locations allocated to them accordingly.
- ✚ “Remote Exam”: As an alternative to the traditional face-to-face examination, HKIB had introduced an innovative initiative, “Remote Exam”, allowing candidates to take examinations from their homes or workplaces with own computer equipment and internet access. “Remote Exam” offers greater flexibility in terms of location and time saving on travelling for our candidates without jeopardising the quality standard of assessment.

Measures will be taken to align the same standard of fairness and effectiveness as that of the traditional face-to-face examination. A two device-approach will be adopted with one computer,

either desktop or laptop, to access the “Remote Exam” platform for the examination and a mobile device, either smartphone or tablet, for invigilation and monitoring. Authentication of identity and real-time virtual invigilation will be conducted hassle-free with an automatic remote system to ensure the highest degree of integrity and data security.

To ensure smooth examination operations, candidates opting “Remote Exam” are required to participate in the “Rehearsal Practice Examination” to be held by HKIB before eligible to attend the formal examination. This arrangement will facilitate the candidates to get better preparation and understanding on the logistic arrangement of the “Remote Exam”.

#### **F. Examination Fee and Payment**

✚ Applicants should pay the examination fee as follows:

- (a) By credit card.
- (b) By Alipay.
- (c) By WeChat Pay.

✚ Application without successful payment will **NOT** be processed.

✚ All payments must be settled before the examination. **NO** fees are refunded or transferred under any circumstances.

✚ Applicants are advised to keep a record of their payments.

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

#### **G. Examination Attendance Notice**




✚ For candidates attending “Remote Exam”, details regarding the prerequisite “Rehearsal Practice Examination” will also be attached.

✚ Examination Attendance Notices (Attendance Notices) will be sent to candidates via email **ONLY** about two weeks before the examination. Candidates are obligated to inform the Institute if they have not received the Attendance Notice one week before the examination.



✚ Candidates are required to print a copy of the Attendance Notice on a sheet of plain A4 paper before attending each examination.

✚ Candidates **MUST** present their Attendance Notice at the examination, along with a valid identification document (e.g. an HK Identity Card or Passport), which bears their current photograph.

**H.      *Alteration / Transfer of Enrolment for the Examination***

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

**I.      *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.

**J. Examination Preparation**

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

**K. Examination Results**

- ✚ Candidates will receive their results slip by post within two to four weeks for CB (Stage I) from the examination date, six to eight weeks for CB (Stage II)/CB Stage from the examination date of the last module of the exam diet.
- ✚ Results will not be revealed by telephone or email.
- ✚ Candidates may check their examination results online through the HKIB online platform. Candidates will receive email notification once the examination results are available. The online examination results will be removed one month after they are released.
- ✚ Results will be withheld from candidates who have not paid in full any monies due or payable to the Institute, including but not limited to examination enrolment fees.

**L. Examination Results Review**

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

- ✚ HKIB charges an administration fee of HKD500 per module for rechecking and HKD1700 per module for remarking. All payments are non-transferrable and non-refundable. However, if the rechecking or remarking leads to an upgrade of result, the fee will be refunded to the candidate concerned.
- ✚ After the answer scripts are rechecked or remarked, the results will be passed to Examination Team Head for review and approval. The decision of Examination Team Head is final.
- ✚ Candidates will be informed of their rechecking or remarking results by post and only with written notice within TWO MONTHS after receipt of the request.
- ✚ Candidates will not be given a copy of their marked answer scripts.

#### **M. General Examination Regulations**

- ✚ An examination is governed by the regulations in force at the time of the examination and not by the regulations in force at the time of enrolment, in case of any discrepancies between the two sets of regulations.
- ✚ On all matters concerning the interpretation of the regulations, the Professional Standard and Examination Board of the Institute has the final discretion.
- ✚ The examinations are conducted in English.
- ✚ For all multiple choice questions, candidates must use HB/2B pencil to answer the questions on the Answer Sheets.
- ✚ For essay questions and the case study questions in Final Case Study Assessment and Oral Assessment, questions must be answered in English.
- ✚ The Final Case Study Assessment and Oral Assessment must be submitted in English.
- ✚ The examinations will be conducted and invigilated by responsible persons appointed by the Institute.
- ✚ Candidates should arrive at the examination venue at least 15 minutes before the start of the examination. Candidates must not enter the examination room until instructed to do so.
- ✚ Candidates are not allowed to sit for the examination if they are unable to produce the Attendance Notice/valid identification document, or the identification document does not contain a clear and current photograph of the candidate.

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

#### **N. Examination Prize Awards**

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

##### Module Prize

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

##### Freshman Prize

Freshman Prize winner is the best performing candidate who: -

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

#### **O. Appeal Fees on Examination**

Professional Standard & Examination Board (PSEB) approved the appeal fees as follows: -

Type of Appeal	Appeal Fee
MCQ exam papers (re-checking)	HKD500
Essay-type exam papers (re-marking)	HKD1,700

## 9. Bad Weather Arrangement

In the event of bad weather on the training class/examination/event day, learners/candidates/participants should pay attention to announcement made by the Hong Kong Observatory about weather conditions. They could also visit [HKIB website](#) for its announcements. For the respective individuals, they will be notified by SMS message about the latest arrangements.

### What is “Bad Weather”

Typhoon signal No. 8 or above, or the black rainstorm signal, or “extreme conditions” is hoisted.

### Bad Weather Arrangement for Scheduled Training/Examination/Event Session

#### For On-site Training/Event

Signal in force	Bad Weather Arrangement
At or after 7am	Session <u>starts from 9:00am to 2:00pm</u> will be switched to virtual training class/event whenever possible.
At or after 12:00noon	Session <u>starts from 2:00pm to 6:00pm</u> will be switched to virtual training class/event whenever possible.
At or after 4:00pm	Session <u>starts from 6:00pm to 10:00pm</u> will be switched to virtual training class/event whenever possible.

#### For On-site Examination

Signal in force	Bad Weather Arrangement
At or after 7am	Session starts from 9:00am to 2:00pm will be rescheduled.
At or after 12:00noon	Session starts from 2:00pm to 6:00pm will be rescheduled.
At or after 4:00pm	Session starts from 6:00pm to 10:00pm will be rescheduled.

**For Virtual Training/Remote Examination / Event**

Signal in force	Bad Weather Arrangement
At or after 7am	Session starts from 9:00am to 2:00pm will be continued as per schedule whenever possible
At or after 12:00noon	Session starts from 2:00pm to 6:00pm will be continued as per schedule whenever possible
At or after 4:00pm	Session starts from 6:00pm to 10:00pm will be continued as per schedule whenever possible

**Special Notes for Attention:**

- Learners/candidates/participants will be notified and confirmed the arrangement by SMS message at least **two hours** before the training/examination/event session.
- For learners/participants who are not able to attend the virtual training class/event session during bad weather, a recorded video of that session will be shared, if available. No additional training class/event session will be arranged.
- If the virtual training class/event session is not able to be provided due to unforeseen circumstances, the class/event session will be rescheduled as appropriate.
- If the training/examination/event session required to be rescheduled, HKIB will notify the learners/candidates/participants of the new training/examination/event session's date and time by email **within one week** of the originally scheduled date. Learners/candidates/participants are **NOT** required to re-register for that session.
- For training session collaborated with local university/institute:
  - This Guideline is applicable if the enrolment is under HKIB management (e.g. training session collaborated with HKUST and PolyU).
  - Please refer to our collaborated partner's website about the adverse weather arrangements if the enrolment is under its management (e.g. HKU SPACE: <https://hkuspace.hku.hk/special-weather>).

## 10. Privacy Policy Statement

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

Candidates are advised to read the Privacy Policy Statement 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.

## 11. 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.

## 12. Contact Information

### ***HKIB Office Address***

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



### ***General Enquiries/ Feedback***

Tel.: (852) 2153 7800

Email: [cs@hkib.org](mailto:cs@hkib.org)

### ***Membership Enquiries***

Tel.: (852) 2153 7879

Email: [membership@hkib.org](mailto:membership@hkib.org)

### ***Examination Enquiries***

Tel.: (852) 2153 7821

Email: [exam@hkib.org](mailto:exam@hkib.org)

### ***Training Programme Enquiries***

Tel.: (852) 2153 7877

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

### ***Office Service Hours***

Monday – Friday: 09:00 - 18:00

Saturday, Sunday & Public Holiday: Closed

## **Appendix: Privacy Policy Statement**

### **Our Policy**

HKIB will ensure all staff fully comply with the data protection principles and all relevant provisions prescribed under the Personal Data (Privacy) Ordinance. Throughout this policy, the meaning of the term “personal data” is as defined in the Ordinance. The personal data provided by the Individuals (including but not limited to current and archived members, non-members, participants, candidates, job applicants, professional service providers, such as trainers, examiners, moderators, writers, reviewers, in our activities or services) will be used for administrative and communicative purposes relating to the services delivered. HKIB cares about Individuals’ personal data privacy interests and takes that seriously. This Privacy Policy Statement describes the practices related to personal data matters. Individuals are advised to read it to understand their rights and obligations in respect of the supply of personal data to HKIB and the ways in which HKIB may use or handle such data.

### **For what purpose do we collect your personal data?**

HKIB collects personal data from Individuals for the purposes of providing services and/or dealing with matters relating to membership, training programmes, recruitment, examinations, certification, exemption, grandfathering, events and other activities, which are organised wholly or in part, or supported by HKIB.

### **What we collect?**

The personal data is supplied either by the Individuals themselves or from external sources, including but not limited to, employers, service or learning providers; third parties that are otherwise affiliated to the service in which individuals are involved, and who may provide HKIB with relevant information on their employees, members and/or students; and members of the public. The personal data may include personal particulars, job profile, working experience, education background, professional qualifications, continuing professional development records and any other relevant information directly related to the required services offered by HKIB.

### **How the collected personal data will be used**

HKIB is professionally obliged to process the personal data fairly, confidentially and lawfully. Nevertheless, as part of its operations, HKIB may compare, transfer or exchange the Last updated: 6 April 2022 2 provided data with the data already in HKIB’s possession, or obtained hereafter by HKIB, for the purposes, or any directly related purposes, for which the personal data are collected.

Some data may also be used for the following purposes during registration and/or payment:

- To verify Individuals’ identities;
- To fulfil Individuals’ specific requests, applications or enrolments relating to our services;
- To verify Individuals’ employment history and references;
- To administer and deliver information about the service;

- To maintain and process examination marks and results, if any;
- To process and handle Individuals' complaints, enquiries, feedback or irregularities, if any;
- To maintain Individuals' records;
- To conduct research or statistical analysis;
- To release information to relevant third parties on whose behalf HKIB administers, conducts or organises 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 Individuals;
- To serve other purposes as permitted or required by law; and
- To serve any other purposes as may be agreed between the Individuals and HKIB.

In addition, Individuals' communications with HKIB, including online/Chatbot, by email, by text message (SMS), via HKIB's customer hotline or otherwise, 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.

### **To whom we may disclose your personal data**

The personal data provided may be disclosed to third parties who help us provide services or support to you or who act for us. When personal data is provided to a third party, the personal data will only be transferred to such a third party that respects privacy and is under a duty of confidentiality to us and/or who has undertaken to keep such information confidential.

HKIB will do its best to ensure the compliance with the Personal Data (Privacy) Ordinance by providing guidelines to and monitoring the compliance of the third parties.

The personal data may also be disclosed to agencies or organisations relating to law enforcement, tax authorities, and other relevant regulatory/government/judicial bodies in Hong Kong or elsewhere as permitted or required by law.

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, or directly related purposes, for which the personal data were collected. HKIB will ensure appropriate Last updated: 6 April 2022 3 security measures for personal data are in place and the individuals will also be well informed in advance for such requirement and arrangement.

### **Direct marketing**

HKIB may use your personal data in accordance with the Ordinance to send you details about the products, services and offers provided by us and relevant information from related parties for your reference or interest. Your data will not be shared with third parties for them to market their products and services to you directly without your expressed consent beforehand.

If you decide not to receive any of the optional updates from HKIB, such as E-news or any standalone external industry events, you may make this election at any time by sending an email to the HKIB email address: [cs@hkib.org](mailto:cs@hkib.org), or annually upon renewal of your membership.

### **Data retention**

Unless otherwise agreed, hard copies of any documents containing Individuals' personal data that they have provided to HKIB become the property of HKIB. HKIB will destroy any documents it holds in accordance with its internal policy and applicable laws and ensure personal data is not kept longer than is necessary for the fulfilment of the purpose for which the data is or is to be used.

Personal data will be 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 any potential disputes, if applicable, and to comply with other reporting and retention obligations.

### **Data security**

HKIB recognises the sensitive and highly confidential nature of much of the personal data that it handles and maintains a high level of security in its work. HKIB adopts appropriate security measures to maintain, monitor, control and protect the security of all personal data, both as hard copies and in computer-readable form.

### **Cookies on websites**

Cookies are small pieces of information, stored in your browser's memory by our websites. When you browse our website, you should be aware that cookies are used. Our website automatically installs and uses cookies on your browser when you access it. The purpose of using cookies is to help us improve website performance and user's experience via analysing the number of visitors to this site/app, general and your personal usage patterns.

### **You may access or correct your personal data**

Individuals are required to keep HKIB informed of any changes in their personal data once they have started to use the services offered by HKIB.

Individuals have the right, under the Personal Data (Privacy) Ordinance, to request access to, or correction of any data provided by them as per the manner and limitations prescribed therein. As this Ordinance allows, HKIB has the right to charge a reasonable fee for processing any request for data access.

Individuals who request access to data or the correction of their data should do so in writing to HKIB by using HKIB's email address: [cs@hkib.org](mailto:cs@hkib.org).

### **With whom you can enquire about our policies and practice**

Individuals can contact the Institute hotline (852) 2153 7800 or email address [cs@hkib.org](mailto:cs@hkib.org) for any enquiry or send the request to HKIB office address: 3/F, Guangdong Investment Tower, 148 Connaught Road Central, Sheung Wan, Hong Kong in writing.

### **Amendments**

HKIB reserves the right to change or modify its privacy policy from time to time. We encourage you to check our Privacy Policy Statement occasionally on our website to ensure that you are aware of the most recent version.

## **The Hong Kong Institute of Bankers**

### **HONG KONG OFFICE**

3<sup>rd</sup> Floor, Guangdong Investment Tower  
148 Connaught Road Central, Hong Kong  
Tel: (852) 2153 7800  
Email: [cs@hkib.org](mailto:cs@hkib.org)  
Website: [www.hkib.org](http://www.hkib.org)

### **BEIJING REPRESENTATIVE OFFICE**

11/F, Tower 5, Courtyard 1, Yuetan South Street  
Xicheng District, Beijing, China (Post Code: 100045)  
Tel: (86) 10-6657 5550      Fax: (86) 10-6657 4966  
E-mail: [hkib-beijing@hkib.org](mailto:hkib-beijing@hkib.org)