

# Associate Compliance Professional (ACOP)

<QF Level 4>\*

# Certified Compliance Professional (General Compliance) (CCOP(GC))

<QF Level 5>#

# Certified Compliance Professional (Investment and Insurance Compliance) (CCOP(IIC))

<QF Level 5>^

## Programme Handbook

(Syllabus, Regulations and General Information)

\* The Professional Qualification (PQ) “Associate Compliance Professional (ACOP)” is recognised under the QF at Level 4. (QR Registration No.: 23/000890/L4) (Validity Period from 01/11/2023 to 31/07/2030)

# The Professional Qualification (PQ) “Certified Compliance Professional – General Compliance (CCOP(GC))” is recognised under the QF at Level 5. (QR Registration No.: 23/000891/L5) (Validity Period from 01/11/2023 to 31/07/2030)

^ The Professional Qualification (PQ) “Certified Compliance Professional – Investment and Insurance Compliance Stream (CCOP(IIC))” is recognised under the QF at Level 5. (QR Registration No.: 23/000892/L5) (Validity Period from 01/11/2023 to 31/07/2030)

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## 1. Introduction

With the aim of supporting capacity building and talent development for banking professionals, the Hong Kong Monetary Authority (HKMA) has been working together with the banking industry to introduce an industry-wide competency framework - “**Enhanced Competency Framework (ECF) for Banking Practitioners**” in Hong Kong.

Since the implementation of ECF in 2018, various programmes for different job functions in banking industry have been developed and integrated into The Hong Kong Institute of Bankers' (HKIB) flagship Certified Banker (CB) Programme which offer generalist, specialist, and strategic topics. The rationale for putting all programme under one professional banking qualification is to promote an industry-based common qualifications benchmark. While ECF programmes offer "role-based" knowledge and certification to relevant practitioners, CB is offering a vocational qualification pathway for further career advancement, being continuously enhanced to nurture more holistic banking professionals and ultimately, supporting the industry to develop a continuous learning culture and a sustainable talent pool so as to maintain the competitiveness of Hong Kong as an international financial centre.

The Enhanced Competency Framework on Compliance (hereinafter referred to as “ECF-Compliance”) was introduced to develop a sustainable pool for the banking industry. The qualification structure of the ECF-Compliance comprises two levels: Core Level and Professional Level, targeting entry level and junior level staff and staff taking up middle or senior positions in Compliance-related job roles.

As the programme and qualification provider of the ECF-Compliance, HKIB has developed the learning programme – the “**ECF-Compliance (Core Level)**” to help individuals attain the Core Level of the competency standards set for the ECF-Compliance. The programme “**ECF-Compliance (Professional Level)**” helps individuals attain the Professional Level of the competency standards.

This Handbook provides programme details and relevant information for the learner who wants to complete the ECF-Compliance training and examination with the intent of obtaining the Professional Qualifications of “**Associate Compliance Professional (ACOP)**”, “**Certified**

**Compliance Professional - General Compliance Stream (CCOP(GC))” or “Certified Compliance Professional – Investment and Insurance Compliance Stream (CCOP(IIC))”.**

For more details related to the ECF on Compliance, please refer to the [Guide to Enhanced Competency Framework on Compliance](#) issued by HKMA dated 27 September 2022 or you may visit [HKIB's ECF on Compliance webpage](#).

## 2. Background

### 2.1 Aims

The aims of the ECF-Compliance are twofold:

- (i) To develop a sustainable talent pool of compliance practitioners for the banking industry; and
- (ii) To raise and maintain the professional competence of existing compliance practitioners in the banking industry.

### 2.2 Competency Standards

They are set at two levels:

**Core Level** – This level is applicable to entry to junior level staff with less than 5 years of work experience in the compliance function.

**Professional Level** – This level is applicable to middle to senior level staff with 5 years or more of work experience in the compliance function.

### 2.3 Scope of Application

The compliance function of an Authorized Institution (“AI”) ensures that it adheres to the laws, regulations and guidelines relevant to its business processes. The fast-evolving regulatory landscape has heightened the need for a sound compliance function to support an AI in navigating its responsibilities and avoiding regulatory actions and fines. Within the compliance function, the practitioners’ responsibilities can typically be segregated into three components:

- (i) Compliance risk governance
- (ii) Identify and assess
- (iii) Monitor

Depending on the organisational structure and the assignment of roles and responsibilities within an AI, these activities may be housed under a business unit solely dedicated to compliance function or as part of a wider legal and compliance function. A strong firm-wide focus on ethics and responsibility, coupled with a firm commitment to upholding compliance principles, and having adequate resources to support those principles are important characteristics of a good compliance function.

The ECF-Compliance is intended to apply to staff whose primary responsibilities involve performing the compliance function (other than AML/CFT compliance) within an AI. Specifically, it is aimed at “Relevant Practitioners (RPs)” located in the Hong Kong office of an AI who perform the compliance job roles as listed in the table below.

|                  | <b>Role 1 -<br/>General Compliance</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Role 2 -<br/>Investment and Insurance<br/>Compliance</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Responsibilities | <ul style="list-style-type: none"> <li>• Assist senior management in meeting their responsibility in terms of understanding, monitoring, and managing compliance related matters</li> <li>• Establish compliance review programmes to ensure compliance with applicable legal and regulatory requirements and codes of conduct</li> <li>• Handle non-compliance issues and monitor the remedial actions taken</li> <li>• Develop and implement transactions monitoring and surveillance infrastructure on general banking activities</li> <li>• Maintain communication with internal stakeholders and liaise with regulators to understand potential risk areas and monitor regulatory developments</li> <li>• Provide training and advice to the business units on compliance related matters</li> </ul> | <ul style="list-style-type: none"> <li>• Report to and advise senior management on matters concerning compliance with relevant regulatory requirements including sales suitability, financial need analysis requirements and cross border selling restrictions</li> <li>• Investigate suspicious activities and handle non-compliance incidents whilst monitoring the remedial actions taken</li> <li>• Provide regulatory advice and analysis (and raise queries where appropriate) in relation to the life cycle of investment and insurance products</li> <li>• Develop and implement transactions monitoring and surveillance infrastructure on investment and insurance business activities</li> <li>• Liaise with local regulators on a regular basis to ensure open lines of communication, maintain reporting obligations and handle requests</li> </ul> |

For more details about the key tasks, please refer to Annex 1 - ECF-Compliance: Key roles and tasks for Relevant Practitioners of the HKMA [Guide to Enhanced Competency Framework on Compliance](#).

## 2.4 Certification and Public Register

There are three Professional Qualifications under the ECF-Compliance:

### Core Level

#### *Associate Compliance Professional (ACOP)*

A Relevant Practitioner may apply to HKIB for the professional qualification certification if he or she:

- (1) has completed all the three Core Level training modules (Modules 1 to 3)\*\* and obtained a pass in the relevant examination of each module; or
- (2) is grandfathered based on the required work experience upon the launch of the Core Level module and employed by an AI at the time of application.

*\*\* Module 1 and Module 2 are identical for both ECF on Operational Risk Management and ECF on Compliance. Hence, an RP who has completed Module 1 and/or Module 2 under either of these ECF streams will not be required to complete the same module(s) under the other ECF stream.*

### Professional Level

#### *Certified Compliance Professional (General Compliance Stream) (CCOP(GC))*

A Relevant Practitioner may apply to HKIB for professional qualification certification if he or she:

- (1) has completed Module 4 and obtained a pass in the relevant examination of each module on top of the Core Level qualification plus at least 5 years (should be accumulated within the 10 years immediately prior to the date of application for certification) of relevant work experience in general Compliance function as specified in “Annex 1 of HKMA’s Guide to ECF-Compliance”; or
- (2) is grandfathered based on the required work experience upon the launch of the Professional Level module and employed by an AI at the time of application.

#### *Certified Compliance Professional (Investment and Insurance Compliance Stream) (CCOP(IIC))*

A Relevant Practitioner may apply to HKIB for professional qualification certification if he or she:

- (1) has completed Module 4 and 5 and obtained a pass in the examination of the relevant modules on top of the Core Level qualification plus at least 5 years (should be accumulated within the 10 years immediately prior to the date of application for certification)



- of relevant work experience in investment and insurance compliance functions as specified in “Annex 1 of HKMA’s Guide to ECF-Compliance”; or
- (2) is grandfathered based on the required work experience upon the launch of the Professional Level module and employed by an AI at the time of application.

For details regarding grandfathering requirements, please refer to [Guidelines of Grandfathering Application for ECF-Compliance](#) in HKIB [ECF on Compliance webpage](#) and section 7 of the HKMA [Guide to Enhanced Competency Framework on Compliance](#).

By going through HKIB certification process successfully, the respective certification holders are then registered as Certified Individuals and included in the public register on HKIB website. HKIB will also grant the certification holders a professional membership of HKIB.

Learners who have successfully completed a HKIB professional qualification programme (including training and examination requirements) but yet to fulfil the requirement of Relevant Practitioners or required years of relevant work experience for certification will be automatically granted as ECF Affiliate.

ECF Affiliate holders are then registered as Certified Individuals and included in the public register on HKIB website. Ordinary Membership with membership fee for the awarding year waived will also be granted to learners.

## **2.5 Annual renewal of certification and CPD Requirements**

The ECF-Compliance certification is subject to annual renewal by HKIB. Certification holders are required to meet the annual Continuing Professional Development (CPD) requirements and pay an annual certification fee to renew the certification.

For the Core Level qualification, a minimum of 10 CPD hours is required for each calendar year (ending 31 December), of which at least 5 CPD hours should be on topics related to compliance, legal and regulatory requirements, risk management and ethics.

For the Professional Level qualifications, a minimum of 12 CPD hours is required for each calendar year (ending 31 December), of which at least 6 CPD hours should be on topics related to compliance, legal and regulatory requirements, risk management and ethics.

Any excess CPD hours accumulated within a particular year cannot be carried forward to the following year.

For ECF Affiliate, at least 3-hours of CPD within the scopes mentioned in HKIB CPD Scheme is required annually for recertification.

No CPD is required in the first calendar year when above certification(s) is granted. The CPD requirement starts in the following calendar year.

Please refer to the [Overview of HKIB CPD Scheme](#) and [HKIB CPD Requirements webpage](#) for more details.

### 3. ECF-Compliance (Core Level) Programme Overview

#### 3.1 Entry Requirements

The Programme is open to members and non-members of HKIB. Learners must fulfil the stipulated minimum entry requirements:

-  Students of Associate Degree (AD) / Higher Diploma (HD) in any disciplines (QF L4);
-  Equivalent qualifications or above; OR
-  Mature applicants with either at least three years of work experience in banking and finance or equivalent with a recommendation from the employer.

*Remarks:*

1. *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.*

#### 3.2 Programme Objectives

This Professional Qualification has been developed with the aim to nurture a sustainable talent pool of compliance practitioners in the banking industry. Candidates will acquire technical skills, professional knowledge and conduct for entry-level and junior level of job roles in the compliance function that take up majority of responsibilities in this function.

#### 3.3 Programme Intended Outcomes

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

-  Comply with business ethics and understand their place within modern financial institutions; understand ethical questions encountered in the second line of defence in the context of the broader risk environment
-  Assess the regulatory landscape as per defined guidelines and procedures and identify non-compliance issues encountered by different business units of the AI
-  Interpret the requirements of compliance monitoring activities and how to execute these activities
-  Analyse compliance vulnerabilities/risks within different business units and implement controls to adequately mitigate such risks
-  Examine compliance breaches and prepare compliance reports to escalate compliance matters to relevant stakeholders
-  Apply different compliance tools to manage and control compliance risk
-  Apply compliance knowledge in the support and delivery of compliance related training

-  Execute Regtech adoption in performing compliance and risk management functions

### 3.4 Learning Hours

The programme design adopts a blended learning approach. Learners are advised to spend not less than 400 Learning Hours (equivalent to 40 credits) in total for completing a full Programme. Learning time refers to the amount of time an average learner is expected to take to complete all learning pertaining to the Programme and achieve the learning outcomes expected. It includes time spent on all learning modes and activities such as training class, self-study and assessment hours.

The Programme is comprised with the following 3 modules as accumulated a total of 40 credits:

- Module 1: Ethics and Corporate Governance in the Banking Industry (10 credits)
- Module 2: Regulatory Framework and Compliance in the Banking Industry (10 credits)
- Module 3: An Effective Compliance Function (20 credits)

### 3.5 Integration in Certified Banker (CB)

The “ECF-Compliance (Core Level)” is integrated in the Certified Banker (Stage I) as one of the Elective Modules.

CB (Stage I) is a professional banking qualification programme developed and offered by HKIB. It is intended to raise the professional competency of banking and financial practitioners in Hong Kong to meet modern demands, while providing a transparent standard with international recognition.

Individuals who have completed the “ECF-Compliance (Core Level)” Programme and obtained a pass at the relevant examination are encouraged to join the CB (Stage I) Programme.

Individuals who have obtained the grandfathered certificate are also encouraged to join the CB (Stage I) Programme by applying HKIB’s Recognising Prior Learning Scheme.

### **3.6 Completion Requirements**

The completion period for the Programme is eight years from the year in which the first module is completed.

Learners are required to complete all three modules and accumulated a total of 40 credits by obtaining a pass in all relevant examinations.

### **3.7 Qualifications Framework**

The Professional Qualification “Associate Compliance Professional (ACOP)” is recognised under the QF at Level 4. (QR Registration No.: 23/000890/L4) (Validity Period from 01/11/2023 to 31/07/2030)

Please refer to the [accreditation page](#) on HKIB website for more details.

## 4. ECF-Compliance (Professional Level) Programme Overview

### 4.1 Entry Requirements

#### ***Professional Level (General Compliance Stream)***

The Programme is open to members and non-members of HKIB. Learners must fulfil the stipulated minimum entry requirements:

-  Advanced Certificate for ECF-Compliance awarded by HKIB;
-  Grandfathered for ECF-Compliance Core Level Programme by HKIB; OR
-  Grandfathered ECF-Compliance (Investment and Insurance Compliance Stream)

#### ***Professional Level (Investment and Insurance Compliance Stream)***

The Programme is open to members and non-members of HKIB. Learners must fulfil the stipulated minimum entry requirements:

-  Advanced Certificate for ECF-Compliance awarded by HKIB;
-  Grandfathered for ECF-Compliance Core Level Programme by HKIB;
-  Professional Certificate for ECF-Compliance (General Compliance Stream) awarded by HKIB; OR
-  Grandfathered ECF-Compliance (General Compliance Stream)

### 4.2 Programme Objectives

#### ***Professional Level (General Compliance Stream)***

This Professional Qualification has been developed with the aim to nurture a sustainable talent pool of compliance practitioners in the banking industry. Candidates will acquire technical skills, professional knowledge and conduct for senior level job roles in the compliance function that take up majority of responsibilities in this function.

#### ***Professional Level (Investment and Insurance Compliance Stream)***

This Professional Qualification has been developed with the aim to develop a sustainable talent pool of compliance practitioners for the banking industry; and to raise and maintain the professional competence of existing compliance practitioners in the banking industry.

### 4.3 Programme Intended Outcomes

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

#### **Professional Level (General Compliance Stream)**

-  Formulate or review compliance policies, procedures and internal standards for the AI
-  Plan the implementation of compliance monitoring programmes and execute these programmes
-  Evaluate compliance risk and devise appropriate response plans and mitigating measures
-  Assess the effectiveness of the compliance risk management framework implemented and review associated policies and procedures to ensure the AI can meet the compliance standards
-  Design and deliver compliance related training to business units
-  Build and promote a strong compliance culture within the AI
-  Manage, report and investigate non-compliance issues of the AI and monitor the effectiveness of any remedial actions taken
-  Evaluate appropriate Regtech solutions for performing compliance and risk management functions

#### **Professional Level (Investment and Insurance Compliance Stream)**

-  Formulate or review compliance policies and procedures and internal standards associated with investment and insurance business for the AI
-  Plan the implementation of compliance monitoring programmes associated with investment and insurance business and execute these programmes
-  Evaluate compliance risk and apply appropriate response plans and mitigating measures associated with investment and insurance business
-  Manage and investigate non-compliance issues of the investment and insurance business of the AI and propose remedial actions to senior management
-  Specify the compliance requirements associated with the investment and insurance business
-  Assess the regulatory approach adopted by various regulators for the investment and insurance business of the AI

-  Specify regulatory expectations in Hong Kong regarding the sale of investment and insurance products and related submissions

#### **4.4 Learning Hours**

##### ***Professional Level (General Compliance Stream)***

The programme design is adopted a blended learning approach. Learners are advised to spend not less than 300 Learning Hours (equivalent to 30 credits) for completing the following module. Learning time refers to the amount of time an average learner is expected to take to complete all learning pertaining to the programme and achieve the learning outcomes expected. It includes time spent on all learning modes and activities such as training class, self-study and assessment hours.

Module 4: Regulatory Compliance (Advanced) & Building a Sustainable Compliance Framework - General Compliance (30 credits)

##### ***Professional Level (Investment and Insurance Compliance Stream)***

The programme design adopts a blended learning approach. Learners are advised to spend not less than 600 Learning Hours (equivalent to 60 credits) for completing the following two modules. Learning time refers to the amount of time an average learner is expected to take to complete all learning pertaining to the Programme and achieve the learning outcomes expected. It includes time spent on all learning modes and activities such as training class, self-study and assessment hours.

Module 4: Regulatory Compliance (Advanced) & Building a Sustainable Compliance Framework - General Compliance (30 credits)

Module 5: Investment and Insurance Compliance (30 credits)

#### **4.5 Completion Requirements**

The completion period for the Programme is eight years for each stream from the year in which the first module is completed.

Learners are required to complete all related modules for each stream with an accumulated credits as and obtained a pass in all relevant examinations.



#### **4.6 Integration in Certified Banker (CB)**

The “ECF on Compliance (Professional Level)” is integrated in the Certified Banker (Stage II) as one of the Elective Modules.

CB (Stage II) is a professional banking qualification programme developed and offered by HKIB. It is intended to raise the professional competency of banking and financial practitioners in Hong Kong to meet modern demands, while providing a transparent standard with international recognition.

Individuals who have completed the “ECF on Compliance (Professional Level)” Programme and obtained a pass at the relevant examination or have been grandfathered “Professional Certificate for ECF-Compliance” Programme and obtain a pass at HKIB’s exemption assessment are encouraged to join the CB (Stage II) Programme.

#### **4.7 Qualifications Framework**

The Professional Qualification “Certified Compliance Professional – General Compliance (CCOP(GC))” is recognised under the QF at Level 5 (QR Registration No.: 23/000891/L5) (Validity Period from 01/11/2023 to 31/07/2030) and the Professional Qualification “Certified Compliance Professional – Investment and Insurance Compliance (CCOP(IIC))” is recognised under the QF at Level 5 (QR Registration No.: 23/000892/L5) (Validity Period from 01/11/2023 to 31/07/2030).

Please refer to the [accreditation page](#) on HKIB website for more details.

## 5. Learning Support

### 5.1 Video-On-Demand

To facilitate the learners to get better preparation for the examination, HKIB provides the Video-On-Demand service for the learners to watch the recorded training sessions of a particular training class. Video-On-Demand service is available for up to 90 days before the examination.

### 5.2 Professional Qualification Programme Scholarship Scheme

Each year, HKIB selects the top two candidates from each competency level (Core/Professional) and award them with the scholarship as recognition. This is the way for HKIB to promote academic excellence and motivate future students to push themselves to achieve same high level of performance.

The two top candidates in each competency level (Core/Professional), provided that all other granting requirements are met, can be awarded with a cash incentive (HKD4,000 for Core Level; HKD5,000 for Professional Level), and a study coupon which can provide candidates to study one more professional qualification offered by HKIB with all training and examination fees waived.

### 5.3 Subsidy

| Professional Qualification Programme | Module                                                                                          | Subsidy                 |
|--------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------|
| ECF - Compliance                     | <ul style="list-style-type: none"> <li>Module 5: Investment and Insurance Compliance</li> </ul> | The WAM Pilot Programme |

 For ECF-Compliance Module 5: Investment and Insurance Compliance, it has been included in the list of reimbursable course 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).

#### **5.4 HKIB Resources Corner Support**

The Resources Corner situated at the premises of HKIB provides the required learning resources required for study. Copies of the Recommended Readings are available in the Corner for borrowing. To provide updated learning resources to the members, HKIB has provided FREE internet and library service to the members.

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

#### **5.5 Market Information Updates**

HKIB regularly organises training courses, CPD programmes, conference, seminars and luncheon talks, industry events on current issues and developments in financial markets that learners may find essential, helpful and relevant to their learning. Besides, HKIB provides members with updated market information through complimentary bi-monthly journal Banking Today, weekly e-news and first-hand internship opportunities.

For more details, please refer to [Events & Industry Initiatives](#) and [HKIB eLearning](#) under HKIB website.

#### **5.6 Mock Examination Paper for Examination Preparation**

To facilitate the learners to get better preparation for the examination, HKIB provides the mock examination paper for the learners as reference to better understand the examination format, structure and approach. Thus, all the questions shared from the mock examination paper will NOT be used in the official examination.

#### **5.7 Learning Consultation Services**

For learners require any learning consultation services related to the banking professional qualifications offered by HKIB, they may contact us through our customer service hotline at (852) 2153 7800 for making arrangement.

## 6. Programme Syllabus

### 6.1 **Module 1: Ethics and Corporate Governance in the Banking Industry**

*(As mentioned in 2.4, this Module is identical to ECF on Operational Risk Management Module 1.)*

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

This module aims to provide the candidates with essential knowledge related to major areas of professional ethics, risk and compliance in the context of corporate governance. The respective ethical and compliance aspects and issues encountered by individuals or corporations in the second line of defence in the context of the boarder risk environment is to be explained.

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

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

- Identify and apply the principles, requirements, and management of business ethical situations in the second line of defence in the context of broader risk environment encountered in the banking industry
- Explain the organisational structures and exercise the requirement under the regulatory landscape in building an effective risk management framework to effective compliance
- Identify different roles associated in building a culture for effective management of governance, risk, and compliance in financial institution
- Apply regulatory requirement and effective compliance control on daily duties by demonstrating an understanding of and adopting the requirement related to corporate governance

**C. Syllabus**

| <b>Chapter 1: Business Ethics</b>                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                                                          | - Introduction <ul style="list-style-type: none"> <li>• Introduction: Ethics and Law</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                           |
| 2                                                          | - Overview of Business Ethics <ul style="list-style-type: none"> <li>• What is Business Ethics</li> <li>• The importance of Business Ethics</li> <li>• Approaches to Normative Ethics: Absolutism and Relativism</li> </ul>                                                                                                                                                                                                                                                                               |
| 3                                                          | - Ethics and the Individual <ul style="list-style-type: none"> <li>• Code of Conduct: <ul style="list-style-type: none"> <li>- Bank on Integrity</li> <li>- Conflict of Interest</li> <li>- Protecting Clients' Interests (Code of Banking Practice)</li> </ul> </li> <li>• Understanding Ethical Decision-making Process <ul style="list-style-type: none"> <li>- The ETHICS-PLUS Decision-Making Model</li> <li>- CIMA – ETHICS Dilemmas Checklist</li> <li>- Ethics in Practice</li> </ul> </li> </ul> |
| <b>Chapter 2: Ethics and the Corporation</b>               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 1                                                          | - Introduction <ul style="list-style-type: none"> <li>• Introduction: Corporate social responsibility, Corporate accountability and Corporate citizenship</li> </ul>                                                                                                                                                                                                                                                                                                                                      |
| 2                                                          | - Corporate Social Responsibility <ul style="list-style-type: none"> <li>• International Consensus</li> <li>• The pros and cons of implementing Corporate social responsibility</li> <li>• The impact of Globalisation</li> </ul>                                                                                                                                                                                                                                                                         |
| 3                                                          | - Social Environmental Issues Facing Banks <ul style="list-style-type: none"> <li>• Environmental, Social Responsibility, Governance (“ESG”)</li> <li>• Equator Principles on Project Financing</li> <li>• Case study: “The Sustainability Report: The role of Bank on Sustainability”</li> </ul>                                                                                                                                                                                                         |
| 4                                                          | - Understanding Reputational Risk <ul style="list-style-type: none"> <li>• Key drivers of Reputation</li> <li>• Public Perception and Reputation Risk</li> <li>• Case studies: The Bank Runs</li> </ul>                                                                                                                                                                                                                                                                                                   |
| <b>Chapter 3: Risk Management: Principles and Concepts</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 1                                                          | - Introduction <ul style="list-style-type: none"> <li>• Introduction: The importance of Risk management as the key to effective Compliance</li> </ul>                                                                                                                                                                                                                                                                                                                                                     |
| 2                                                          | - Definition of Risk <ul style="list-style-type: none"> <li>• Definition of Risk</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                               |

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| 3                                                    | <ul style="list-style-type: none"> <li>• Different types of Risk in Banking (HKMA approach)</li> <li>• Other approaches to Categorise Risk</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 4                                                    | <ul style="list-style-type: none"> <li>- The Basic of Risk Management Framework               <ul style="list-style-type: none"> <li>• Enterprise Risk Management Framework – the Three Lines of Defence</li> <li>• Key Elements of Effective Risk Management (ISO 31000: 2018 Risk Management Guideline)</li> <li>• The Three Lines of Defence (SPM IC-1 and Basel Requirement)</li> <li>• Organisational structure for an effective Risk Management Framework</li> </ul> </li> <li>- An Overview of Key Risk Management Process               <ul style="list-style-type: none"> <li>• Risk identification</li> <li>• Risk measurement, analysis and evaluation</li> <li>• Risk monitoring and reporting</li> <li>• Risk mitigation</li> <li>• Methodologies and Governance of an Effective Risk Management Framework</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                |
| <b>Chapter 4: The Regulators, Law and Regulation</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 1                                                    | <ul style="list-style-type: none"> <li>- Introduction               <ul style="list-style-type: none"> <li>• Introduction: The Prudential Approach</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 2                                                    | <ul style="list-style-type: none"> <li>- Key Functions of Financial Regulators               <ul style="list-style-type: none"> <li>• The Hong Kong Monetary Authority (“HKMA”)</li> <li>• The Securities and Futures Commission (“SFC”)</li> <li>• The Insurance Authority (“IA”)</li> <li>• The Mandatory Provident Fund Schemes Authority (“HPFSA”)</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 3                                                    | <ul style="list-style-type: none"> <li>- Regulatory Requirements               <ul style="list-style-type: none"> <li>• An overview:                   <ul style="list-style-type: none"> <li>- Hong Kong Association of Banks</li> <li>- Code of Conduct – HKMA</li> <li>- Code of Conduct – SFC and SFO</li> <li>- The International Standard: Basel</li> </ul> </li> <li>• Know Your Customers / Due Diligence                   <ul style="list-style-type: none"> <li>- Anti-money Laundering (“AML”) and Counter-Financing of Terrorism (“CFT”)</li> <li>- Sanction Risk</li> <li>- Tax Evasion and The Foreign Account Tax Compliance Act (“FATCA”)</li> <li>- Case Studies: AML / CFT</li> </ul> </li> <li>• Suitability Obligations and Mis-selling                   <ul style="list-style-type: none"> <li>- Suitability Obligations</li> <li>- Mis-selling Claim</li> <li>- Case Study: Suitability Obligations and Mis-selling</li> </ul> </li> <li>• Market misconduct under the Securities and Futures Ordinance                   <ul style="list-style-type: none"> <li>- Insider Trading</li> </ul> </li> </ul> </li> </ul> |

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|                                                 | <ul style="list-style-type: none"> <li>- Price Rigging</li> <li>- Stock Market manipulation</li> <li>- Disclosure of Information about Prohibited Transaction (s. 276, s. 297)</li> <li>- Case Study: Mis-selling Claim</li> <li>• Protecting the Customers             <ul style="list-style-type: none"> <li>- Treat Customer Fairly Charter</li> <li>- Personal Data (Privacy) Ordinance                 <ul style="list-style-type: none"> <li>• Bank Marketing</li> <li>• Customer Complaint Management</li> <li>• Customers Information Management</li> </ul> </li> <li>- Case Study: Data Management in Banks</li> </ul> </li> </ul> |
| <b>Chapter 5: Corporate Governance in Banks</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 1                                               | <ul style="list-style-type: none"> <li>- Introduction             <ul style="list-style-type: none"> <li>• What is Corporate Governance</li> <li>• Corporate Governance Principles for Banks (Basel Committee)</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                       |
| 2                                               | <ul style="list-style-type: none"> <li>- Agency Theory             <ul style="list-style-type: none"> <li>• Agency Theory</li> <li>• Agency Costs</li> <li>• The Public Interest in Financial Stability                 <ul style="list-style-type: none"> <li>- The Economic Significance of Banks</li> <li>- The Unique Business Risks Faced by Banks</li> <li>- Systemic Risk</li> </ul> </li> <li>• The Misalignment between the interests of Bank Shareholders and the Public Interest</li> <li>• Case Study: Libor Manipulation and subsequent ethical ramification: the Emergence of SOFR</li> </ul> </li> </ul>                     |
| 3                                               | <ul style="list-style-type: none"> <li>- The Role and Composition of the Board             <ul style="list-style-type: none"> <li>• Structure of Banks                 <ul style="list-style-type: none"> <li>- Organisational Structure</li> <li>- The Board</li> <li>- The Specialised Committee</li> </ul> </li> <li>• Stakeholders in Corporate Governance</li> <li>• Regulatory Requirement and Implication                 <ul style="list-style-type: none"> <li>- HKMA CG-6 and ECF</li> <li>- SFC – Guideline on Competence</li> </ul> </li> </ul> </li> </ul>                                                                     |
| 4                                               | <ul style="list-style-type: none"> <li>- Accountability of Banks             <ul style="list-style-type: none"> <li>• Introduction                 <ul style="list-style-type: none"> <li>- Corporate Governance in Banking Industry under Basel requirement</li> <li>- Principle 12: Disclosure and transparency</li> </ul> </li> <li>• Disclosure                 <ul style="list-style-type: none"> <li>- Regulatory Accountability, Prudential Reporting and Regulatory</li> </ul> </li> </ul> </li> </ul>                                                                                                                              |

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|                                                                                               | <p>Supervision</p> <ul style="list-style-type: none"> <li>- HKMA Supervisory Policy Manual – IC-2 (Internal audit Function)</li> <li>• Transparency <ul style="list-style-type: none"> <li>- Introduction: Integrated Reporting</li> <li>- Environmental, Social and Governance Reporting</li> <li>- The International Integrated Reporting Committee Framework of Integrated Reporting</li> </ul> </li> </ul> |
| <b>Chapter 6: Remuneration and Appointment of Board Members, Chief Executive and Managers</b> |                                                                                                                                                                                                                                                                                                                                                                                                                |
| 1                                                                                             | <ul style="list-style-type: none"> <li>- Introduction <ul style="list-style-type: none"> <li>• Introduction: The Competence of Board Directors and Chief Executive in Banks</li> </ul> </li> </ul>                                                                                                                                                                                                             |
| 2                                                                                             | <ul style="list-style-type: none"> <li>- Principal Forms of Directorial and Executive Remuneration <ul style="list-style-type: none"> <li>• Basic Director's service fee</li> <li>• Executive salary</li> <li>• Bonus payments</li> <li>• Shares and restricted share grants</li> <li>• Executive share options</li> </ul> </li> </ul>                                                                         |
| 3                                                                                             | <ul style="list-style-type: none"> <li>- Determination of Remuneration <ul style="list-style-type: none"> <li>• Fundamental principles: the guideline from Hong Kong Institute of Directors</li> <li>• The function of Remuneration committee</li> <li>• Determination of Non-executive Directors' remuneration</li> <li>• Guideline on a sound remuneration system (CG-5)</li> </ul> </li> </ul>              |
| 4                                                                                             | <ul style="list-style-type: none"> <li>- Appointments of Chief Executives and Directors <ul style="list-style-type: none"> <li>• Section 71 of Banking Ordinance</li> <li>• HKMA Requirements (CG-1, s. 6, 7)</li> </ul> </li> </ul>                                                                                                                                                                           |
| 5                                                                                             | <ul style="list-style-type: none"> <li>- Appointments of Bank Managers <ul style="list-style-type: none"> <li>• Section 72B of Banking Ordinance</li> <li>• HKMA Requirements (CG-2, s. 3)</li> </ul> </li> </ul>                                                                                                                                                                                              |
| <b>Chapter 7: Internal Control and Compliance in Banking</b>                                  |                                                                                                                                                                                                                                                                                                                                                                                                                |
| 1                                                                                             | <ul style="list-style-type: none"> <li>- Introduction <ul style="list-style-type: none"> <li>• Introduction: A Risk Based Approach to Bank Supervision (World Bank PaperChp.15)</li> </ul> </li> </ul>                                                                                                                                                                                                         |
| 2                                                                                             | <ul style="list-style-type: none"> <li>- The Elements of Internal Control System <ul style="list-style-type: none"> <li>• Elements of Internal Control System</li> <li>• Attributes of an effective control system</li> <li>• The Three Lines of Defence</li> </ul> </li> </ul>                                                                                                                                |
| 3                                                                                             | <ul style="list-style-type: none"> <li>- Costs and Benefits of Internal Control <ul style="list-style-type: none"> <li>• Costs</li> <li>• Benefits</li> <li>• Case Study: Manipulation of US GSE debt securities trading before 2008</li> </ul> </li> </ul>                                                                                                                                                    |



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| 4 | - Second Line of Defence: The Compliance Function <ul style="list-style-type: none"> <li>• Regulatory Requirement (IC-1)</li> <li>• The Compliance functions</li> <li>• The role of Compliance Officer</li> </ul>                                                                   |
| 5 | - The Role of Risk Management Function to Effective Control and Compliance in Banks <ul style="list-style-type: none"> <li>• The Voluntary Boundary</li> <li>• Core practice</li> <li>• Mandated boundary</li> <li>• Case Study: An example from Data Quality Management</li> </ul> |

#### **D. Recommended Readings**

##### **Essential Readings**

1. HKIB Study Guide – M1: Ethics and Corporate Governance in Banking Industry

##### **Supplementary Readings**

1. Mark Hsiao. (2013). Principles of Hong Kong Banking Law. Sweet & Maxwell
2. Iris H.-Y. Chiu, (2015). The Law of Corporate Governance in Banks. ISBN: 9781 78254 885 0

##### **Further Readings**

1. John R. Boatright. (2014). Ethics in Finance (3rd ed.). Wiley-Blackwell
2. Bessis, Joël. (2015) Risk Management in Banking. Fourth ed. Chichester, West Sussex: Wiley
3. Hong Kong Monetary Authority: Website and Supervisory Policy Manual
4. Securities and Futures Commission (2017). Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission
5. ISO 31000: 2018 Risk management Guidelines

**6.2 Module 2: Regulatory Framework and Compliance in the Banking Industry**

*(As mentioned in 2.4, this Module is identical to ECF on Operational Risk Management Module 2.)*

**A. Module Objective**

This module aims to provide the candidates with essential knowledge related to major areas of professional ethics, risk and compliance in the context of corporate governance. The respective ethical and compliance aspects and issues encountered by individuals or corporations in the second line of defence in the context of the boarder risk environment is to be explained.

**B. Module Intended Outcomes**

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

- Understand and explain the role and function of financial regulatory framework specifically the role of the HKMA and various other regulators including SFC and IA in regulating the banking industry
- Describe and apply the Banking Ordinance and other relevant laws applicable to banks, as well as the HKMA statutory guidelines and guidance notes, in the day to day running of various businesses of a bank
- Design and implement systems and controls for banks to ensure all legal and regulatory requirements are satisfied
- Assess compliance related operational risk indicators, assessment of the risks and based on the legal and regulatory requirements, develop strategies to mitigate the risks maintaining compliance position of the bank at the tolerance level; and
- Monitor and identify problems and issues in various banking businesses and making informed judgement and propose solutions in compliance with all the legal and regulatory requirements.

**C. Syllabus**

| <b>Chapter 1: Overview of Regulatory Regime for Bank in Hong Kong</b>              |                                                                                                                 |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 1                                                                                  | - Introduction                                                                                                  |
| 2                                                                                  | - Overall Financial Regulatory Framework in Hong Kong                                                           |
| 3                                                                                  | - Hong Kong Monetary Authority – Regulatory Framework                                                           |
| 4                                                                                  | - Securities and Futures Commission – Regulatory Framework                                                      |
| 5                                                                                  | - Insurance Authority – Regulatory Framework                                                                    |
| 6                                                                                  | - Mandatory Provident Fund Scheme Authority – Regulatory Framework                                              |
| 7                                                                                  | - Hong Kong Monetary Authority – The Lead Regulator of Bank                                                     |
| <b>Chapter 2: Banking Supervision, Internal Policies, Standards and Guidelines</b> |                                                                                                                 |
| 1                                                                                  | - Introduction                                                                                                  |
| 2                                                                                  | - Supervisory Approach and CAMEL Rating                                                                         |
| 3                                                                                  | - Risk-Based Supervisory Approach                                                                               |
| 4                                                                                  | - Hong Kong Monetary Authority and Hong Kong Exchanges and Clearing Limited – Corporate Governance Requirements |
| 5                                                                                  | - Risk Management System of Als                                                                                 |
| 6                                                                                  | - Regulatory Expectation of Internal Controls System                                                            |
| <b>Chapter 3: Bank Culture Reform</b>                                              |                                                                                                                 |
| 1                                                                                  | - Introduction                                                                                                  |
| 2                                                                                  | - Treat Customers Fairly Charter (2013)                                                                         |
| 3                                                                                  | - Bank Culture Reform Circular (2017)                                                                           |
| 4                                                                                  | - Supervisory Measures for Bank Culture                                                                         |
| 5                                                                                  | - Self-assessment on Bank Culture Reform                                                                        |
| 6                                                                                  | - Focus Review, Culture Dialogue and Industrial Survey                                                          |
| <b>Chapter 4: Major Statutory Requirements for Bank in Hong Kong</b>               |                                                                                                                 |
| 1                                                                                  | - Introduction                                                                                                  |
| 2                                                                                  | - Banking Ordinance                                                                                             |
| 3                                                                                  | - Securities and Futures Ordinance                                                                              |
| 4                                                                                  | - Insurance Ordinance                                                                                           |
| 5                                                                                  | - Mandatory Provident Fund Schemes Ordinance                                                                    |
| 6                                                                                  | - Personal Data (Privacy) Ordinance                                                                             |
| <b>Chapter 5: Regulatory Objectives and Relevant Mandates</b>                      |                                                                                                                 |
| 1                                                                                  | - Introduction                                                                                                  |
| 2                                                                                  | - Code of Banking Practice                                                                                      |
| 3                                                                                  | - Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission              |
| 4                                                                                  | - Code of Conduct for Licensed Insurance Agents and Code of Conduct for Licensed                                |

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| 5                                                                                        | Insurance Brokers<br>- Guidelines on Conduct Requirements for Registered Intermediaries (Issued by the Mandatory Provident Fund Schemes Authority) |
| <b>Chapter 6: Introduction to International Regulation</b>                               |                                                                                                                                                    |
| 1                                                                                        | - Introduction                                                                                                                                     |
| 2                                                                                        | - International Regulations (Role of Regulators, Regulatory Powers and International Regulatory Models and Latest Market Trends)                   |
| 3                                                                                        | - FATCA                                                                                                                                            |
| 4                                                                                        | - Comm EU General Data Protection Regulation (GDPR) on Reporting Standards (AEOI/CRS)                                                              |
| <b>Chapter 7: Registration and Licensing Requirements</b>                                |                                                                                                                                                    |
| 1                                                                                        | - Introduction                                                                                                                                     |
| 2                                                                                        | - Banking Ordinance – AI, CE, ACE and Manager                                                                                                      |
| 3                                                                                        | - Securities and Futures Ordinance – Registered Institution and Relevant Individual                                                                |
| 4                                                                                        | - Insurance Ordinance – Agency and Technical Representative                                                                                        |
| 5                                                                                        | - Mandatory Provident Fund Schemes Ordinance – MPF Intermediary                                                                                    |
| 6                                                                                        | - Listing Rules – Listed AIs                                                                                                                       |
| 7                                                                                        | - Manager-in-charge (MIC) Regime – Applicability to AIs                                                                                            |
| <b>Chapter 8: Regulatory Breach and Operational Risk Incident Management</b>             |                                                                                                                                                    |
| 1                                                                                        | - Introduction                                                                                                                                     |
| 2                                                                                        | - Identification, Review and Classification of Incident                                                                                            |
| 3                                                                                        | - Response and Management of Operational Risk Incident – Internal Escalation                                                                       |
| 4                                                                                        | - Response and Management of Operational Risk Incident - Remediation and Disclosure                                                                |
| 5                                                                                        | - Response and Management of Operational Risk Incident - Lesson Learnt and System Enhancement                                                      |
| 6                                                                                        | - Operational Risk Incident Regulatory Reporting Requirement of the HKMA                                                                           |
| 7                                                                                        | - Reputational Issue in Incident Management                                                                                                        |
| <b>Chapter 9: Future Development in Banking and the Relevant Regulatory Requirements</b> |                                                                                                                                                    |
| 1                                                                                        | - Introduction                                                                                                                                     |
| 2                                                                                        | - Digital Banking and e-Banking Regulatory Requirements                                                                                            |
| 3                                                                                        | - Open API and Open Banking Development in Hong Kong                                                                                               |
| 4                                                                                        | - Virtual Banking Licensing and Regulatory Development                                                                                             |
| 5                                                                                        | - Sustainable and Green Banking Business Development in Hong Kong                                                                                  |
| 6                                                                                        | - Regulatory and Compliance Challenges from Sustainable and Green Banking Business                                                                 |
| <b>Chapter 10: Case Studies – Compliance Challenge</b>                                   |                                                                                                                                                    |
| 1                                                                                        | - Introduction                                                                                                                                     |
| 2                                                                                        | - Challenge of New Products and Services                                                                                                           |

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| 3 | - Challenge of Ongoing Changes in Regulatory Requirements           |
| 4 | - Challenge of External Event                                       |
| 5 | - Case Study – Compliance Breach Involving Staff Misconduct         |
| 6 | - Case Study – Operational Risk Incident with Major Customer Impact |

#### **D. Recommended Readings**

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

1. HKIB Study Guide – M2: Regulatory Framework and Compliance in Banking Industry

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

1. Hong Kong Legislation – Chapter 155, Chapter 571, Chapter 41, Chapter 485 and Chapter 486.
2. Hong Kong Monetary Authority- Supervisory Policy Manual (2001) Risk-based supervisory approach
3. Hong Kong Monetary Authority- Supervisory Policy Manual (2017) Corporate governance of locally incorporated authorized institutions
4. Hong Kong Monetary Authority- Supervisory Policy Manual (2017) Risk Management Framework
5. Hong Kong Monetary Authority- Supervisory Policy Manual (2018) Interest Rate Risk in the Banking Book
6. Hong Kong Monetary Authority- Supervisory Policy Manual (2005) Operational risk management
7. Hong Kong Monetary Authority- Supervisory Policy Manual (2003) General principles for technology risk management
8. Hong Kong Monetary Authority- Supervisory Policy Manual (2001) General principles of credit risk management
9. Hong Kong Monetary Authority- Circular (2013) on Bank Culture Reform
10. The Hong Kong Association of Banks/The DTC Association - (2015) Code of Banking Practice
11. Securities and Futures Commission - (2020) Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission
12. Insurance Authority – (2019) Code of Conduct for Licensed Insurance Agents
13. Competition Commission – (2015) Guideline on the First Conduct Rule and Guideline on the Second Conduct Rule

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

NIL

### **6.3 Module 3: An Effective Compliance Function**

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

This module aims to provide candidates with fundamental concept and knowledge in relation to the element of an effective compliance function. Basic principles and the components of compliance framework associated with the three lines of defence. Roles and responsibilities of the HKMA in the banking supervisory function are also discussed. Compliance programmes and common compliance tools are introduced to enable candidate to apply in their daily job tasks as a compliance professional. The role of technology in compliance is also introduced.

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

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

- Assess the key elements of the compliance function and its relationship with other parties in an Authorized Institution
- Analyse the key principles and requirements of an effective compliance function as a second line of defence of an Authorized Institution
- Examine the interaction between the HKMA and bank when the HKMA is executing its supervisory function
- Analyse the duties, roles and responsibilities of the compliance function
- Apply common compliance tools and various compliance programme designed to manage and control compliance risks
- Evaluate the organization structure and reporting line that enable an authorized institution to drive a sound compliance culture
- Analyse challenges faced by the compliance function in an authorized institution, current and in the foreseeable future
- Execute Regtech adoption in performing compliance and risk management functions

**C. Syllabus**

| <b>Chapter 1: Key Elements of Effective Compliance Function</b>                            |                                                                                                                                                                                                                                                                                                                                                                                               |
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| 1                                                                                          | - Introduction                                                                                                                                                                                                                                                                                                                                                                                |
| 2                                                                                          | - Compliance Function in an Authorized Institution <ul style="list-style-type: none"> <li>• Purpose of Regulation</li> <li>• Nature and Scope of a Compliance Function</li> <li>• Key risks from banking activities and Compliance Risk</li> </ul>                                                                                                                                            |
| 3                                                                                          | - The Myths and Misunderstandings of Compliance Function <ul style="list-style-type: none"> <li>• Why Regulate (Protection, Promotion, Registration, Restriction, and Standard)</li> <li>• The Role of a Compliance Function</li> <li>• Conflicts of Interest, Market Misconduct, Corruption and Bribery</li> </ul>                                                                           |
| 4                                                                                          | - Key Elements of a Compliance Function in an Authorized Institution <ul style="list-style-type: none"> <li>• Independence</li> <li>• Formal Status</li> <li>• No Conflict of Interest</li> <li>• Access to Information and Personnel</li> <li>• Adequate Resources</li> <li>• Rapport Building</li> <li>• Prevention and Detection of Financial Crimes</li> <li>• Code of Conduct</li> </ul> |
| <b>Chapter 2: Principles and Components of Compliance Frameworks and Internal Controls</b> |                                                                                                                                                                                                                                                                                                                                                                                               |
| 1                                                                                          | - Introduction                                                                                                                                                                                                                                                                                                                                                                                |
| 2                                                                                          | - Requirements for an Effective Compliance Function <ul style="list-style-type: none"> <li>• Compliance as Part of Risk Governance: Internal Control, Compliance, and Risk Management</li> <li>• The Human Factor</li> </ul>                                                                                                                                                                  |
| 3                                                                                          | - Compliance Function as an Internal Risk Control Function <ul style="list-style-type: none"> <li>• What is an Internal Control System?</li> <li>• Types of Internal Control</li> <li>• Identifying Issues</li> <li>• Limitation of Internal Controls (Judgment, Breakdowns, Management Override, Collusion, Costs and Benefits and Usual Transactions)</li> </ul>                            |
| 4                                                                                          | - The Risk Management Process <ul style="list-style-type: none"> <li>• The Relationship between Risk Management and the Compliance Function</li> <li>• Risk Assessment</li> <li>• Risk Analysis</li> <li>• Risk Evaluation</li> <li>• Risk Reporting and Communication</li> <li>• Risk Treatment</li> </ul>                                                                                   |
| 5                                                                                          | - Relationship between Compliance and Internal Audit Function                                                                                                                                                                                                                                                                                                                                 |

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| 6                                                                                            | <ul style="list-style-type: none"> <li>• Monitoring and Review of the Risk Management Process</li> <li>• Structure and Administration of Audit Programmes</li> <li>• Audit Opinion</li> </ul> <p>- Relationship between Operations, Operational Risk Management, and Compliance Function</p>                                                                                         |
| <b>Chapter 3: Roles and Responsibilities of The HKMA in its Banking Supervisory Function</b> |                                                                                                                                                                                                                                                                                                                                                                                      |
| 1                                                                                            | - Introduction                                                                                                                                                                                                                                                                                                                                                                       |
| 2                                                                                            | <p>- Different Regulatory Approaches in Overseeing Banking Activities</p> <ul style="list-style-type: none"> <li>• Licensing</li> <li>• Self-regulation</li> <li>• Law Enforcement</li> </ul>                                                                                                                                                                                        |
| 3                                                                                            | <p>- Roles and Responsibilities of Bank Departments in Banking Supervisory Functions</p> <ul style="list-style-type: none"> <li>• Organisational Structure</li> <li>• Roles and Responsibilities in the First Line of Defence</li> <li>• Roles and Responsibilities in the Second Line of Defence</li> <li>• Roles and Responsibilities in the Third Line of Defence</li> </ul>      |
| 4                                                                                            | <p>- Supervisory Approach and Framework</p> <ul style="list-style-type: none"> <li>• Law and Regulation: Principle-based Approach</li> <li>• Inspections and Examinations</li> <li>• Law Enforcement</li> <li>• The Role of the HKMA and its Collaboration with other Regulatory Bodies</li> </ul>                                                                                   |
| <b>Chapter 4: Roles and Responsibilities of a Compliance Function</b>                        |                                                                                                                                                                                                                                                                                                                                                                                      |
| 1                                                                                            | - Introduction                                                                                                                                                                                                                                                                                                                                                                       |
| 2                                                                                            | <p>- Risk Oversight and Assessment</p> <ul style="list-style-type: none"> <li>• Credit Risk</li> <li>• Market Risk</li> <li>• Interest Rate Risk</li> <li>• Liquidity Risk</li> <li>• Operational Risk</li> <li>• Reputation Risk</li> <li>• Legal Risk</li> <li>• Strategic Risk</li> <li>• Other Emerging Risks</li> </ul>                                                         |
| 3                                                                                            | <p>- Implementing a Compliance Programme</p> <ul style="list-style-type: none"> <li>• Establish, Implement and Review Policy and Procedures</li> <li>• Provide Training and Education</li> <li>• Risk Measurement, Monitoring and Managing Reporting Systems</li> <li>• Compliance Incidents Occurring or being Uncovered – Reporting (Whistleblowing) and Investigations</li> </ul> |



|   |                                                                                                                                                                                                                                                                                           |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4 | - Compliance Breach Investigation <ul style="list-style-type: none"> <li>• What is an Internal Investigation</li> <li>• Purpose and Benefits of an Internal Investigation</li> <li>• When to Conduct an Internal Investigation</li> <li>• Process of an Internal Investigation</li> </ul> |
| 5 | - Remedial Steps and Reporting <ul style="list-style-type: none"> <li>• Determining Remediation</li> <li>• Report Writing and Escalation Process</li> <li>• Report to Regulators</li> </ul>                                                                                               |

### Chapter 5: Understanding Compliance Tools

|   |                                                                                                                                                                                                                                       |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | - Introduction                                                                                                                                                                                                                        |
| 2 | - Policies and Procedures <ul style="list-style-type: none"> <li>• Locating Regulatory Reference</li> <li>• Identifying the Right Guidance</li> <li>• Reading HKMA Regulation (Supervisory Policy Manual)</li> </ul>                  |
| 3 | - Monitoring <ul style="list-style-type: none"> <li>• Reading HKMA Updates: Circulars</li> <li>• Reading HKMA Updates: Frequently Asked Questions</li> <li>• Designing Forms</li> </ul>                                               |
| 4 | - Training <ul style="list-style-type: none"> <li>• Function</li> <li>• Goal Setting</li> <li>• Communication Tool</li> <li>• Dissemination of Compliance Requirement</li> </ul>                                                      |
| 5 | - Governance, Risk and Compliance (GRC) Tools <ul style="list-style-type: none"> <li>• Performance Indicators</li> <li>• Access to Information by Compliance Functions</li> <li>• Authority to Request Further Information</li> </ul> |

### Chapter 6: Put into Practice - Sound Compliance Culture Development and its Challenges

|   |                                                                                                                                                                                                                                                  |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | - Introduction                                                                                                                                                                                                                                   |
| 2 | - A Sound Compliance Culture: Definition and the Essentials <ul style="list-style-type: none"> <li>• Definition of Organisational Culture</li> <li>• Elements of a Good Compliance Culture</li> <li>• Diversity, Equity and Inclusion</li> </ul> |
| 3 | - Challenges on Compliance Development <ul style="list-style-type: none"> <li>• Conduct and Ethics</li> <li>• Fintech and Regtech</li> <li>• ESG Agenda</li> </ul>                                                                               |
| 4 | - Put into Practice - How to Implement ECF-Compliance Requirements <ul style="list-style-type: none"> <li>• Policies and Procedures</li> </ul>                                                                                                   |

|                                                                                                                               |                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                               | <ul style="list-style-type: none"> <li>• Human Resources</li> <li>• Corporate Culture</li> <li>• Monitoring and Review</li> </ul> |
| <b>Chapter 7: Regtech: Overview and Emerging Trend of Development</b><br><b>(Adapted from ECF-Fintech M2)</b>                 |                                                                                                                                   |
| 1                                                                                                                             | - Introduction to Regtech                                                                                                         |
| 2                                                                                                                             | - Evolution of Regtech                                                                                                            |
| 3                                                                                                                             | - Importance of Regtech to the Banking Industry                                                                                   |
| 4                                                                                                                             | - Regtech's Underlying Technologies                                                                                               |
| 5                                                                                                                             | - Regtech's Application Areas                                                                                                     |
| 6                                                                                                                             | - Regtech: Current State and Government Initiatives                                                                               |
| 7                                                                                                                             | - Regtech Adoption in Hong Kong: Opportunities and Challenges                                                                     |
| 8                                                                                                                             | - Case Studies and Insights: Regtech Applications in Banks                                                                        |
| 9                                                                                                                             | - Suptech and HKMA's Adoption of Suptech                                                                                          |
| 10                                                                                                                            | - Future of Regtech                                                                                                               |
| <b>Chapter 8: Legislative Framework and Regulatory Technology (Regtech) Overview</b><br><b>(Adapted from ECF-Fintech M11)</b> |                                                                                                                                   |
| 1                                                                                                                             | - Regtech Taxonomy, LoNG PESTEL, BIDT                                                                                             |
| 2                                                                                                                             | - Why Banking is under regulation?                                                                                                |
| 3                                                                                                                             | - History of Regtech                                                                                                              |
| 4                                                                                                                             | - Regtech 1.0, 2.0, .....                                                                                                         |
| 5                                                                                                                             | - Regtech – Digital Identity, Digital Signature                                                                                   |
| 6                                                                                                                             | - Managing Trust and Managing Risk                                                                                                |
| <b>Chapter 9: Data, Financial Intelligence, and Customer Protection</b><br><b>(Adapted from ECF-Fintech M11)</b>              |                                                                                                                                   |
| 1                                                                                                                             | - Data Governance in Open Banking Regtech – Ownership, Stewardship, Custodian                                                     |
| 2                                                                                                                             | - Digital (Computer) Forensics in Regtech                                                                                         |
| 3                                                                                                                             | - Corporate Strategy, Data Governance and Incident Response                                                                       |

#### **D. Recommended Readings**

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

1. HKIB Study Guide – M3: An Effective Compliance Function
2. John C. Hull. (2018). Risk Management and Financial Institutions Fifth Edition. Wiley.  
(Chapter 1, 2 ,6, 12, 15, 16, 22, 26, 27, 29)

**Supplementary Readings****Chapter 1 – 6**

1. HKMA Supervisory Policy Manual SA-1 Risk-based Supervisory Approach
2. HKMA Supervisory Policy Manual IC-1 Risk Management Framework
3. HKMA Supervisory Policy Manual CG-1 Corporate Governance of Locally Incorporated Authorized Institutions
4. HKMA Supervisory Policy Manual CG-3 Code of Conduct
5. HKMA Supervisory Policy Manual IC-4 Complaint handling procedures
6. HKMA Supervisory Policy Manual OR-1 Operational risk management
7. HKMA Supervisory Policy Manual OR-2 Operational Resilience
8. HKMA Supervisory Policy Manual SR-1 Strategic Risk Management
9. HKMA Supervisory Policy Manual RR-1 Reputation Risk Management
10. HKMA Circular dated 07 Jan 2022 – Self-Assessment of Code of Banking Practice
11. HKMA Circular dated 27 Sep 2022 – Enhanced Competency Framework on Compliance

**Chapter 7**

12. Hong Kong Monetary Authority (HKMA) (2021, Jan 21) Circulars & Guidance Papers. Circulars. Report on “AML/CFT Regtech: Case Studies and Insights” Encl. AML/CFT Regtech: Case Studies and Insights.  
<https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2021/20210121e1a1.pdf>
13. Hong Kong Monetary Authority (HKMA) (2020, Nov). Transforming Risk Management and Compliance: Harnessing the Power of Regtech.  
<https://www.hkma.gov.hk/media/eng/doc/key-information/press-release/2020/20201102e3a1.pdf>
14. Hong Kong Monetary Authority (HKMA) (2019, Nov 12). Inaugural Issue of Regtech watch.  
<https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2019/20191112e1.pdf>
15. Hong Kong Monetary Authority (HKMA) (2019, Nov 12). Regtech Watch Issue No. 1.  
<https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2019/20191112e1a1.pdf>
16. Hong Kong Monetary Authority (HKMA) (2020, Mar 16). Regtech Watch Issue No. 2.  
<https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2020/20200316e2a1.pdf>
17. Hong Kong Monetary Authority (HKMA) (2020, Jun 12). Regtech Watch Issue No. 3.  
<https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2020/20200612e1a1.pdf>
18. Hong Kong Monetary Authority (HKMA) (2020, Sep 18). Regtech Watch Issue No. 4.  
<https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2020/20200918e2a1.pdf>
19. Hong Kong Monetary Authority (HKMA) (2020, Dec 16). Regtech Watch Issue No. 5.

- <https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2020/20201216e1a1.pdf>
20. Hong Kong Monetary Authority (HKMA) (2021, Mar 19). Regtech Watch Issue No. 6. <https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2021/20210319e1a1.pdf>
  21. Hong Kong Monetary Authority (HKMA) (2021, Jun 17). Regtech Watch Issue No. 7. <https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2021/20210617e1a1.pdf>
  22. Hong Kong Monetary Authority (HKMA) (2021, Jun 17). Seventh and Final Issue of Regtech Watch. <https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2021/20210617e1.pdf>
  23. Hong Kong Monetary Authority (HKMA) (2021, Jul 26). Second Issue of Regtech Adoption Practice Guide: Anti-Money Laundering/Counter-Financing of Terrorism. <https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2021/20210726e1a1.pdf>
  24. Hong Kong Monetary Authority (HKMA) (2021, Sep 27). Third Issue of Regtech Adoption Practice Guide: Governance, Risk and Compliance. <https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2021/20210927e1a1.pdf>
  25. Hong Kong Monetary Authority (HKMA) (2021, Jun 08). HKMA Unveils "Fintech 2025" Strategy. <https://www.hkma.gov.hk/eng/news-and-media/press-releases/2021/06/20210608-4/>
  26. Hong Kong Monetary Authority (HKMA) (2021, Jun 17). HKMA launches the Regtech Adoption Practice Guide series. <https://www.hkma.gov.hk/eng/news-and-media/press-releases/2021/06/20210617-5/>
  27. Hong Kong Monetary Authority (HKMA) (2021, Jun 30). HKMA hosts its flagship Regtech event - "Unlocking the Power of Regtech". <https://www.hkma.gov.hk/eng/news-and-media/press-releases/2021/06/20210630-9/>
  28. Hong Kong Monetary Authority (HKMA) (2020, Nov 03). HKMA developed a two-year roadmap to promote Regtech adoption. <https://www.hkma.gov.hk/eng/news-and-media/press-releases/2020/11/20201103-3/>
  29. Barberis J., Arner D., Buckley R. (2019). The Regtech Book: The Financial Technology Handbook for Investors, Entrepreneurs and Visionaries in Regulation. Wiley.
  30. Arner D. W., Barberis J. , and Buckley R. P. (2017) FinTech, Regtech and the Reconceptualization of Financial Regulation. Northwestern Journal of International Law & Business Vol. 37 Issue 3. <https://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1817&context=njilb>

## **Chapter 8 – 9**

31. UNCITRAL Model Law on Electronic Commerce with Guide to Enactment 1996 (full paper). [https://uncitral.un.org/sites/uncitral.un.org/files/media-documents/uncitral/en/19-04970\\_ebook.pdf](https://uncitral.un.org/sites/uncitral.un.org/files/media-documents/uncitral/en/19-04970_ebook.pdf)
32. Model Legislation on Money Laundering and Financing of Terrorism

<https://www.imolin.org/pdf/imolin/ModelLaw-February2007.pdf>

33. Model Law on Electronic Evidence. [https://thecommonwealth.org/sites/default/files/key\\_reform\\_pdfs/P15370\\_7\\_ROL\\_Model\\_Bill\\_Electronic\\_Evidence\\_0.pdf](https://thecommonwealth.org/sites/default/files/key_reform_pdfs/P15370_7_ROL_Model_Bill_Electronic_Evidence_0.pdf)
34. HK Ordinance CAP 8  
<https://www.elegislation.gov.hk>
35. ISO 27001 definition: What is ISO 27001?  
<https://www.itgovernance.co.uk/iso27001>
36. The investigator-centered approach to financial crime: Doing what matters  
<https://www.mckinsey.com/business-functions/risk-and-resilience/our-insights/the-investigator-centered-approach-to-financial-crime-doing-what-matters>
37. The five largest money laundering scandals of all time... so far.  
<https://medium.com/kyc-io-scalable-kyc-management-solutions/the-5-largest-money-laundering-scandals-of-all-time-so-far-d30ff4abee10>
38. AML cases.  
<https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2021/20210121e1a1.pdf>

### ***Further Readings***

#### **Chapter 1 – 6**

1. HKMA Circular dated 02 Mar 2017 – Banking Culture Reform
2. HKMA Circular dated 19 Dec 2018 – Supervision for Bank Culture
3. HKMA Circular dated 22 May 2020 – Report on Review of Self-assessment on Bank Culture
4. HKMA Supervisory Policy Manual CS-1 Group-HKMA wide supervisory approach to supervision of locally incorporated authorized institutions
5. HKMA Supervisory Policy Manual IC-2 Internal audit function
6. HKMA Supervisory Policy Manual RR-1 Reputational risk management
7. HKMA Supervisory Policy Manual AML-1 Supervisory approach on Anti-Money Laundering and Counter-Financing of Terrorists
8. Code of Banking Practice (HKAB)

#### **Chapter 8 – 9**

9. Understanding digital signatures.  
<https://www.docusign.ca/how-it-works/electronic-signature/digital-signature/digital-signature-faq>
10. UNCITRAL Model Law on Electronic Commerce with Guide to Enactment 1996 (full paper).  
[https://uncitral.un.org/sites/uncitral.un.org/files/media-documents/uncitral/en/19-04970\\_ebook.pdf](https://uncitral.un.org/sites/uncitral.un.org/files/media-documents/uncitral/en/19-04970_ebook.pdf)
11. European Commission, “Introduction to the Connecting Europe Facility eID Building Block.”, March 2016.  
[http://www.esens.eu/sites/default/files/building\\_block\\_dsi\\_introdocument\\_eid-v1.04\\_4.pdf](http://www.esens.eu/sites/default/files/building_block_dsi_introdocument_eid-v1.04_4.pdf)
12. Cloud-based IT security policy template generator allows you generate your security policy

template, within minutes, guaranteed.

[https://www.instantsecuritypolicy.com/it-security-policies.html?keyword=it%20security%20policies&matchtype=e&network=g&adposition=&device=c&gclid=Cj0KCQjw\\_fiLBh-DOARIsAF4khR21\\_6FWPXR3HwPkHukyA02EjyG1Jok2VyoYSc-PjwH5yzULeU1vKYE-aAkPfEALw\\_wcB](https://www.instantsecuritypolicy.com/it-security-policies.html?keyword=it%20security%20policies&matchtype=e&network=g&adposition=&device=c&gclid=Cj0KCQjw_fiLBh-DOARIsAF4khR21_6FWPXR3HwPkHukyA02EjyG1Jok2VyoYSc-PjwH5yzULeU1vKYE-aAkPfEALw_wcB)

13. C. Hadnagy, "Social Engineering, Second Edition: The Science of Human Hacking", 2018 John Wiley & Sons, Inc. (Book, ISBN: 978-1-119-43338-5)
14. K. Mitnick, "The Art of Deception: Controlling the Human Element of Security", 2003 Kevin D. Mitnick (P)2009 Tantor Audio. (Book, ISBN: 978-0764542800)
15. HKMA CFI 2.0  
<https://www.hkma.gov.hk/eng/news-and-media/press-releases/2020/11/20201103-4/>
16. NIST  
<https://csrc.nist.gov/Projects/risk-management#:~:text=The%20NIST%20Risk%20Management%20Framework,to%20support%20implementation%20of%20risk>

#### **6.4 Module 4: Regulatory Compliance (Advanced) & Building a Sustainable Compliance Framework - General Compliance**

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

This module aims to provide the candidates with in-depth conceptual, legal and technical knowledges in relation to the performance of general compliance function in an Authorized Institutions in Hong Kong. Different compliance tools and handling of non-compliance incidents will be assessed and analysed alongside the policy, procedures, people and process in response to the compliance function. The current trend of Regtech adoption is also examined.

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

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

- Formulate or review compliance policies, procedures and internal standards for the AI
- Plan the implementation of compliance monitoring programmes and execute these programmes
- Evaluate compliance risk and devise appropriate response plans and mitigating measures
- Assess the effectiveness of the compliance risk management framework implemented and review associated policies and procedures to ensure the AI can meet the compliance standards
- Design and deliver compliance related training to business units
- Build and promote a strong compliance culture within the AI
- Manage, report and investigate non-compliance issues of the AI and monitor the effectiveness of any remedial actions taken
- Evaluate appropriate Regtech solutions for performing compliance and risk management functions

**C. Syllabus**

| <b>Chapter 1: Sound Bank Culture</b>                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                                                                       | - Introduction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 2                                                                       | - The Duty of Banks to Employee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 3                                                                       | - The contractual Duty of Banks to Customers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 4                                                                       | - Implementation of Sound Bank Culture: Introduction of the “3 Pillars”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 5                                                                       | - Elements in Building a Successful and Sustainable Compliance Framework                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 6                                                                       | - Ethical Implications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Chapter 2: Dealing with Non-Compliance</b>                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 1                                                                       | - Introduction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 2                                                                       | - An Overview of Compliance Incident Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 3                                                                       | - Board and Management Oversights and Governance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 4                                                                       | - Role of the Senior Response Team                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 5                                                                       | - Enforcing Compliance Discipline and Prevention of Non-compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 6                                                                       | - Detecting and Managing Non-compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 7                                                                       | - Reporting of Non-compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 8                                                                       | - Compliance Risk Monitoring and Action Tracking                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Chapter 3: Key Regulatory Requirements and Financial Regulations</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 1                                                                       | - Introduction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 2                                                                       | - Key Banking Regulations and Implication to Compliance <ul style="list-style-type: none"> <li>• Banking Ordinance (Cap. 155)</li> <li>• Disclosure Requirements under Part XII of the Banking Ordinance</li> <li>• Banking (Disclosure) Rules (Cap. 155M)</li> <li>• Banking (Exposure Limits) Rules (Cap. 155S)</li> <li>• Banking (Capital) Rules (Cap. 155L)</li> <li>• Banking (Capital) Rules (Cap. 155Q)</li> <li>• Supervisory Policy Manual, Guide to Authorisation, and other Supervisory Guidance</li> <li>• Treat Customers Fairly Charter</li> <li>• Code of Banking Practice, and other Industry Standards/Good Practices</li> <li>• Deposit Protection Scheme (Representation on Scheme Membership and Protection of Financial Products under Scheme) Rules and Deposit Protection Scheme (Asset Maintenance) Rules</li> </ul> |
| 3                                                                       | - Other Financial Regulations and Compliance <ul style="list-style-type: none"> <li>• Securities and Futures Ordinance (Cap. 571) and Rules</li> <li>• Insurance Ordinance (Cap. 41), including Subsidiary Legislation, and the Codes, Guidelines, Circulars of the IA</li> <li>• Markets in Financial Instruments Directive (MiFID)</li> <li>• Mandatory Provident Fund (MPF) Schemes Ordinance (Cap. 485)</li> <li>• Personal Data (Privacy) Ordinance, Ethical Accountability Framework, as well as relevant Codes of Practice/Guidelines issued by Privacy Commissioner for Personal Data</li> </ul>                                                                                                                                                                                                                                      |



**Chapter 4: Applying Regulatory Requirements to Banking Operations**

- |   |                                                                                                                                                                                                                                                                                                                                     |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | - Introduction                                                                                                                                                                                                                                                                                                                      |
| 2 | - Some Key Areas of Regulatory Focus <ul style="list-style-type: none"> <li>• Suitability</li> <li>• Best Execution</li> <li>• Virtual Banking</li> <li>• Complaint Handling</li> <li>• Staff Dealing Policy</li> <li>• Digital Financial Services</li> <li>• Engagement of Third Parties such as Lending Intermediaries</li> </ul> |
| 3 | - Keeping Update of Regulatory Changes                                                                                                                                                                                                                                                                                              |
| 4 | - Ongoing Monitoring and Supervision of Regulatory Change                                                                                                                                                                                                                                                                           |
| 5 | - Keeping Record of Compliance Monitoring                                                                                                                                                                                                                                                                                           |
| 6 | - Key Consideration in Setting up Internal Standards                                                                                                                                                                                                                                                                                |
| 7 | - Key Challenges on Compliance                                                                                                                                                                                                                                                                                                      |
| 8 | - Rapid Development in Compliance Work and the Future Ahead                                                                                                                                                                                                                                                                         |

**Chapter 5: Disruptive Changes in Banking, Finance and Regulations****(Adapted from ECF-Fintech M11)**

- |   |                                                               |
|---|---------------------------------------------------------------|
| 1 | - Disruptive Innovation and Technology in Banking and Finance |
| 2 | - Scoping Exercise re. Future Money and Crypto-tokens         |
| 3 | - Disruptive Changes impacting Banking and Regulation         |

**Chapter 6: Banking Strategy: Crossroad Regtech 1.0 or Regtech 2.0****(Adapted from ECF-Fintech M11)**

- |   |                                                                                |
|---|--------------------------------------------------------------------------------|
| 1 | - What is Regtech 2.0                                                          |
| 2 | - Case Study: Regtech 2.0 as an Integral part of WealthTech Application / Robo |
| 3 | - Open Banking APIs, Open Banking Architecture – Regtech 2.0                   |

**Chapter 7: Smart Banking, Smart Regtech****(Adapted from ECF-Fintech M11)**

- |   |                                                                                                             |
|---|-------------------------------------------------------------------------------------------------------------|
| 1 | - Faster Payment System (FPS) and Regtech 2.0                                                               |
| 2 | - CBDC (Central Bank Digital Currency) / DCEP (Digital Currency Electronic Payment)                         |
| 3 | - Smart Contracts                                                                                           |
| 4 | - Algorithmic Regulation: Automating Financial Compliance Monitoring and Regulation using AI and Blockchain |
| 5 | - Standards-Based Technology Architecture for Regtech                                                       |
| 6 | - Future Banking and Regtech Strategy                                                                       |

**D. Recommended Readings****Essential Readings**

1. HKIB Study Guide – M4: ECF on Compliance (Regulatory Compliance (Advanced) & Building a Sustainable Compliance Framework – General Compliance)

**Chapter 5, 6 and 7**

2. Dey, A., Heese, J., & Weber, J., "Regtech at HSBC", Harvard Business Review, October 9, 2019.  
<https://store.hbr.org/product/Regtech-at-hsbc/120046?sku=120046-PDF-ENG>
3. E. Soltes, G. Ros and G. Liu, "An introduction to Money Laundering: The Hunter", Harvard Business Review 2020.  
<https://store.hbr.org/product/an-introduction-to-money-laundering-the-hunter/121011>
4. "FinTech and the Strategy in the 21st Century, Chapter 6 - Understand Regtech for Digital Regulatory Compliance" p.85 - 102, T. Butler and L. O'Brien, Palgrave Macmillan.  
[https://link.springer.com/content/pdf/10.1007%2F978-3-030-02330-0\\_6.pdf](https://link.springer.com/content/pdf/10.1007%2F978-3-030-02330-0_6.pdf)
5. Innovative Technology in Financial Supervision (SupTech) - the experience of early users, Bank for International Settlement.  
<https://www.bis.org/fsi/publ/insights9.pdf>

**Supplementary Readings**

1. Ingo Walter, 'Conflicts of interest and market discipline among financial services firms' (August 2004), 22(4) *European Management Journal* 362 [Walter, Conflicts of interest].
2. Julie Riewe, 'Conflicts, conflicts everywhere', Remarks to the IA Watch 17th Annual IA Compliance Conference: The Full 360 View (26 February 2015)  
[www.sec.gov/news/speech/conflicts-everywhere-full-360-view.html](http://www.sec.gov/news/speech/conflicts-everywhere-full-360-view.html)
3. Goldbarsht, D. (2020). *Global Counter-terrorist Financing and Soft Law: Multi-layered Approaches*. Edward Elgar Publishing.
4. Dill, A. BANK REGULATION, RISK MANAGEMENT, AND COMPLIANCE.

**Chapter 5, 6 and 7**

5. UNCITRAL Model Law on Electronic Commerce with Guide to Enactment 1996 (full paper).  
[https://uncitral.un.org/sites/uncitral.un.org/files/media-documents/uncitral/en/19-04970\\_ebook.pdf](https://uncitral.un.org/sites/uncitral.un.org/files/media-documents/uncitral/en/19-04970_ebook.pdf)
6. UNCITRAL Model Law on Digital Signature (full paper).  
<https://uncitral.un.org/sites/uncitral.un.org/files/media-documents/uncitral/en/ml-elecsig-e.pdf>
7. Model Legislation on Money Laundering and Financing of Terrorism  
<https://www.imolin.org/pdf/imolin/ModelLaw-February2007.pdf>

8. Model Law on Electronic Evidence.  
[https://thecommonwealth.org/sites/default/files/key\\_re-form\\_pdfs/P15370\\_7\\_ROL\\_Model\\_Bill\\_Electronic\\_Evidence\\_0.pdf](https://thecommonwealth.org/sites/default/files/key_re-form_pdfs/P15370_7_ROL_Model_Bill_Electronic_Evidence_0.pdf)
9. ISO 27001 definition: What is ISO 27001?  
<https://www.itgovernance.co.uk/iso27001>
10. NIST framework.  
<https://www.nist.gov/cyberframework>
11. The investigator-centered approach to financial crime: Doing what matters  
<https://www.mckinsey.com/business-functions/risk-and-resilience/our-insights/the-investigator-centered-approach-to-financial-crime-doing-what-matters>
12. The 5 largest money laundering scandals of all time... so far.  
<https://medium.com/kyc-io-scalable-kyc-management-solutions/the-5-largest-money-laundering-scandals-of-all-time-so-far-d30ff4abee10>
13. AML cases.  
<https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2021/20210121e1a1.pdf>
14. HKMA CFI 2.0  
<https://www.hkma.gov.hk/eng/news-and-media/press-releases/2020/11/20201103-4/>
15. NIST  
<https://csrc.nist.gov/Projects/risk-management#:~:text=The%20NIST%20Risk%20Management%20Framework,to%20support%20implementation%20of%20risk>

### ***Further Readings***

1. Bank Culture  
<https://www.hkma.gov.hk/eng/regulatory-resources/regulatory-guides/by-subject-current/bank-culture/>
2. Financial Inclusion  
<https://www.hkma.gov.hk/eng/regulatory-resources/regulatory-guides/by-subject-current/financial-inclusion-and-treat-customers-fairly/>

### **Chapter 5, 6 and 7**

3. Understanding digital signatures.  
<https://www.docusign.ca/how-it-works/electronic-signature/digital-signature/digital-signature-faq>
4. European Commission, "Introduction to the Connecting Europe Facility eID Building Block.", March 2016.  
[http://www.esens.eu/sites/default/files/building\\_block\\_dsi\\_introdocument\\_eid-v1.04\\_4.pdf](http://www.esens.eu/sites/default/files/building_block_dsi_introdocument_eid-v1.04_4.pdf)
5. Cloud-based IT security policy template generator allows you generate your security policy template, within minutes, guaranteed.  
<https://www.instantsecuritypolicy.com/it-security-poli->

[cies.html?keyword=it%20security%20policies&matchtype=e&network=g&adposition=&device=c&qclid=Cj0KCQjw\\_fiLBh-DOARIsAF4khR21\\_6FWPXr3HwPkHukyA02EjyG1Jok2VyoYSc-PjwH5yzULeU1vKYE-aAkPfEALw\\_wcB](https://www.google.com/search?q=it%20security%20policies&matchtype=e&network=g&adposition=&device=c&qclid=Cj0KCQjw_fiLBh-DOARIsAF4khR21_6FWPXr3HwPkHukyA02EjyG1Jok2VyoYSc-PjwH5yzULeU1vKYE-aAkPfEALw_wcB)

6. C. Hadnagy, "Social Engineering, Second Edition: The Science of Human Hacking", 2018 John Wiley & Sons, Inc. (Book, ISBN: 978-1-119-43338-5)
7. K. Mitnick, "The Art of Deception: Controlling the Human Element of Security", 2003 Kevin D. Mitnick (P)2009 Tantor Audio. (Book, ISBN: 978-0764542800)
8. D. Khachatryan, "Armacord Incorporated" Combatting Money Laundering Using Data Analytics", Harvard Business Review 2012.  
<https://hbsp.harvard.edu/product/BAB260-PDF-ENG>
9. Cantale, S. and Buche, I., "BSI Bank of Switzerland Victim of Growth or Perpetrator of a Crime ?", IMD 2016.  
<https://store.hbr.org/product/bsi-bank-of-switzerland-victim-of-growth-or-perpetrator-of-a-crime/IMD846>
10. Casey, E., "Handbook of Digital Forensics and Investigation", Academic Press Nov 2009.  
[https://books.google.com.hk/books?id=xNjsDprqtUYC&printsec=copyright&redir\\_esc=y#v=onepage&q&f=false](https://books.google.com.hk/books?id=xNjsDprqtUYC&printsec=copyright&redir_esc=y#v=onepage&q&f=false)

## **6.5 Module 5: Investment and Insurance Compliance**

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

This module aims to cover the relevant applicable laws and regulations relating to the investment and insurance compliance. Learners of this module should be able to develop the required technical skills and professional knowledge for managing the compliance risk within an AI for their investment and insurance businesses. The main focus of this module is on the applications of key legal and regulatory requirements, associated with the investment and insurance businesses, set by the Hong Kong Monetary Authority (HKMA), the Securities and Futures Commission (SFC), the Insurance Authority (IA) and the Mandatory Provident Fund Authority (MPFA).

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

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

- Formulate or review compliance policies and procedures and internal standards associated with investment and insurance business for the AI
- Plan the implementation of compliance monitoring programmes associated with investment and insurance business and execute these programmes
- Evaluate compliance risk and apply appropriate response plans and mitigating measures associated with investment and insurance business
- Manage and investigate non-compliance issues of the investment and insurance business of the AI and propose remedial actions to senior management
- Specify the compliance requirements associated with the investment and insurance business
- Assess the regulatory approach adopted by various regulators for the investment and insurance business of the AI
- Specify regulatory expectations in Hong Kong regarding the sale of investment and insurance products and related submissions

**C. Syllabus**

| <b>Chapter 1: Overview of the Regulatory Approach adopted by Regulators towards Financial Services Organisations</b>  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                                                                                                                     | <ul style="list-style-type: none"> <li>- Regulatory Approaches adopted by Regulators               <ul style="list-style-type: none"> <li>• Different Roles and Functions of Regulators</li> <li>• Applications of Provisions relating to the Requirements on Sales of Financial Products                   <ul style="list-style-type: none"> <li>- Supervisory Policy Manual (SPM) issued by the HKMA</li> <li>- Securities and Futures Ordinance (SFO)</li> <li>- Insurance Ordinance (IO)</li> <li>- Mandatory Provident Fund (MPF) Scheme Ordinance (MPFO)</li> </ul> </li> <li>• Relationships among Regulators                   <ul style="list-style-type: none"> <li>- The Remit of Different Regulators and Different Areas of Focus for Individual Regulators</li> <li>- Als as RIs under the Securities and Futures Ordinance (SFO)</li> <li>- Als as Licensed Insurance Intermediaries under the Insurance Ordinance (IO)</li> </ul> </li> </ul> </li> </ul> |
| 2                                                                                                                     | <ul style="list-style-type: none"> <li>- The Regulatory Submissions required when Selling Investment and Insurance Products               <ul style="list-style-type: none"> <li>• Events to be Reported by the Licensed Persons and Registered Institutions (RIs) as indicated in the HKMA Supervisory Policy Manual (SPM)</li> <li>• RIs have to Report in Writing to the HKMA</li> <li>• Compliance with Notification Requirements by the SFC</li> <li>• Compliance with Notification Requirements by the IA</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 3                                                                                                                     | <ul style="list-style-type: none"> <li>- Regulatory Requirements on Sales of Financial Products               <ul style="list-style-type: none"> <li>• Implications of Relevant Sections of the Supervisory Policy Manual, Guidelines, and Circulars issued by the HKMA</li> <li>• Applications of Relevant Sections of the Code of Conduct, Guidelines, and Circulars issued by the SFC</li> <li>• Applications of Relevant Sections of the Code of Conduct, Guidelines, and Circulars issued by the IA</li> <li>• Applications of Relevant Sections of the Conduct Requirements for Registered Intermediaries issued by the MPFA</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                  |
| 4                                                                                                                     | <ul style="list-style-type: none"> <li>- Compliance on Selling Investment and Insurance Products as required by the Treat Customers Fairly Charter               <ul style="list-style-type: none"> <li>• Principles of the Treat Customers Fairly Charter</li> <li>• Examples and Implications by applying the Principles of the Treat Customers Fairly Charter</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Chapter 2: Regulatory Expectations regarding the Sale of Investment Products and Handling of Client Securities</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 1                                                                                                                     | <ul style="list-style-type: none"> <li>- Investor Protection Measures, Professional Investor Regime, and Private Placement Regime               <ul style="list-style-type: none"> <li>• Applications of the HKMA Investor Protection Measures</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

|                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                           | <ul style="list-style-type: none"> <li>- Specific Compliance Requirements when Selling Investment Products</li> <li>• Compliance Requirements under the Professional Investor Regime</li> <li>• Compliance Requirements under the Private Placement Regime</li> </ul>                                                                                                                                                                                                                                                                                                              |
| 2                                                                         | <ul style="list-style-type: none"> <li>- Implications of the Pre-trade Disclosure Requirements</li> <li>• Specific Compliance Requirements on Disclosure of Risk Statements</li> <li>• Specific Compliance Requirements on Providing Information to Customers to Make Informed Decisions</li> </ul>                                                                                                                                                                                                                                                                                |
| 3                                                                         | <ul style="list-style-type: none"> <li>- Applications of the Sales Suitability Requirements in Online and Offline Environments</li> <li>• Know Your Customer</li> <li>• Recommendations to Customers</li> <li>• Matching Recommendations with Risk-Return Profile of each Investment Product and the Personal Circumstances of each Customer</li> <li>• Consideration of Concentration Risk</li> <li>• Alternative Investment Products</li> <li>• Complex Products</li> <li>• Portfolio Suitability and Portfolio-based Suitability Assessment</li> <li>• Robo-Advisory</li> </ul> |
| 4                                                                         | <ul style="list-style-type: none"> <li>- Implications of the Requirements on Best Execution</li> <li>• Applications of the Execution Controls and Monitoring</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                            |
| 5                                                                         | <ul style="list-style-type: none"> <li>- Compliance on Cross-Border Business Activities</li> <li>• Specific Requirements on Licensing Obligations of Corporations and Individuals</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                       |
| 6                                                                         | <ul style="list-style-type: none"> <li>- Implications of the Requirements on Conflicts of Interest</li> <li>• Disclosure and Fair Treatment</li> <li>• Importance of Independence</li> <li>• Disclosure of Sales of In-house Products</li> </ul>                                                                                                                                                                                                                                                                                                                                   |
| 7                                                                         | <ul style="list-style-type: none"> <li>- Applications of Compliance on Licensing Requirements</li> <li>• Competence Requirements</li> <li>• Determination of "Fit and Proper"</li> <li>• Continuous Professional Training (CPT) Requirements</li> </ul>                                                                                                                                                                                                                                                                                                                            |
| 8                                                                         | <ul style="list-style-type: none"> <li>- Specific Requirements when Handling Client Securities and Selling/Distributing Investment Products</li> <li>• Circulars issued by the HKMA and the SFC</li> <li>• Enforcement Actions</li> </ul>                                                                                                                                                                                                                                                                                                                                          |
| <b>Chapter 3: Specific Requirements on the Sale of Insurance Products</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 1                                                                         | <ul style="list-style-type: none"> <li>- Compliance with Licensing Requirements</li> <li>• Background</li> <li>• Code of Conduct for Licensed Insurance Agents</li> <li>• Code of Conduct for licensed Insurance Brokers</li> </ul>                                                                                                                                                                                                                                                                                                                                                |
| 2                                                                         | <ul style="list-style-type: none"> <li>- Implications of the Requirements on Consumer Protection</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                          | <ul style="list-style-type: none"> <li>• Specific Requirements on Consumer Protection</li> <li>• Applications of the Regulations and Industry Practices associated with the Sale of Insurance Policies <ul style="list-style-type: none"> <li>- Offering of Gifts</li> <li>- Regulation on the Sale of Long-term Policies, Policy Replacement, and Benefit Illustrations</li> <li>- Cooling-off Period</li> <li>- Guideline on Financial Needs Analysis (FNA)</li> <li>- Suitability and Affordability Assessment</li> </ul> </li> </ul>                                                                                                                                   |
| 3                                                                                        | <ul style="list-style-type: none"> <li>- Specific Requirements when Selling Investment-linked Assurance Scheme (ILAS) <ul style="list-style-type: none"> <li>• Requirements on Selling Investment-linked Assurance Scheme (ILAS)</li> <li>• Applications of the Regulations and Industry Practices associated with the Sale of Investment-linked Assurance Scheme (ILAS)</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                            |
| 4                                                                                        | <ul style="list-style-type: none"> <li>- Specific Requirements when Selling Annuity Insurance Products <ul style="list-style-type: none"> <li>• Requirements on Selling Annuity Insurance Products</li> <li>• Applications of the Regulations and Industry Practices associated with the Sale of Annuity Insurance Products</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                         |
| <b>Chapter 4: Case Studies, Good Practices and Challenges associated with Compliance</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 1                                                                                        | <ul style="list-style-type: none"> <li>- Applications of Good Practices by Embedding a Compliance Culture and Understanding the Compliance Risk Appetite across Different Business Units <ul style="list-style-type: none"> <li>• Case Study: The United Kingdom (“UK”) Financial Conduct Authority (“FCA”) fined Credit Suisse GBP147,190,276 and undertakes to the FCA to forgive USD200 million of Mozambican debt on 21 October 2021</li> <li>• Case Study: The FCA fined a Financial Penalty of GBP284,432,000 on Barclays Bank Plc for failing to control business practices in its foreign exchange (“FX”) business in London on 19 May 2015</li> </ul> </li> </ul> |
| 2                                                                                        | <ul style="list-style-type: none"> <li>- Alignment of Compliance Activities with the AI’s Strategic Objectives <ul style="list-style-type: none"> <li>• Case Study: The FCA fined Lloyds Banking Group GBP117 million for failing to handle Payment Protection Insurance (“PPI”) complaints fairly on 5 June 2015</li> <li>• Case Study: The FCA fined Santander UK Plc GBP32.8 million for serious failings in its probate and bereavement process on 19 December 2018</li> </ul> </li> </ul>                                                                                                                                                                             |
| 3                                                                                        | <ul style="list-style-type: none"> <li>- Involvement of Compliance where the AI seeks to undertake Significant Decisions, Major Change Projects, Strategic Initiatives and Major Transactions <ul style="list-style-type: none"> <li>• Case Study: The SFC reprimands and fines Citigroup Global Markets Asia Limited HKD348.25 million for serious regulatory failures over client facilitation activities on 28 January 2022</li> <li>• Case Study: The UK FCA fines Prudential GBP23,875,000 for failures relating to non-advised annuities sales on 30 September 2019</li> </ul> </li> </ul>                                                                           |



**D. Recommended Readings****Essential Readings**

1. HKIB Study Guide – M5: Investment and Insurance Compliance

**Supplementary Readings**

1. Hong Kong Monetary Authority, HKMA Supervisory Policy Manual - CG-3 Code of Conduct
2. Securities and Futures Commission, The Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission
3. Insurance Authority, Code of Conduct for Licensed Insurance Agents
4. Insurance Authority, Code of Conduct for Licensed Insurance Brokers
5. Mandatory Provident Fund Schemes Authority, Guidelines on Conduct Requirements for Registered Intermediaries
6. Hong Kong Monetary Authority, Investor Protection Measures in respect of Investment, Insurance and Mandatory Provident Fund Products
7. Hong Kong Monetary Authority, HKMA Supervisory Policy Manual - SB-1 Supervision of Regulated Activities of SFC-Registered Authorised Institutions
8. Hong Kong Monetary Authority, HKMA Supervisory Policy Manual - IB-1 Supervision of Insurance Intermediary Business of Authorised Institutions
9. Hong Kong Monetary Authority, HKMA Circular - Treat Customers Fairly Charter

**Further Readings**

1. Hong Kong Monetary Authority, Guidance on Selling of Investment Products and Handling of Clients Securities
2. Hong Kong Monetary Authority, HKMA Circular - Selling of Annuity Insurance Products
3. Hong Kong Monetary Authority, HKMA Circular - Cross-border Business Activities
4. Hong Kong Monetary Authority, HKMA Circular - Selling of Protection Linked Plan
5. Securities and Futures Commission, Fit and Proper Guidelines
6. Hong Kong Monetary Authority, HKMA Circular - Frequently Asked Questions on Investor Protection Measures

## 7. Training Application

### 7.1 Training Schedule

For the latest information about the training application period and class schedules, please refer to the Training Schedule on [HKIB website](#).

### 7.2 Training Mode and Duration

The training mode and durations of Core Level and Professional Level are set out as follows:

| Training Mode     | Lecture and Video-Assisted Training (VAT) |                     |
|-------------------|-------------------------------------------|---------------------|
| Training Duration | Module 1 - 2                              | 15 hours per module |
|                   | Module 3                                  | 18 hours            |
|                   | Module 4 - 5                              | 21 hours per module |

Syllabus for Chapter 7 to 9 of Module 3 and Chapter 5 to 7 of Module 4 are adapted from ECF on Fintech Module 2 and 11. Training of these chapters will be held by professors from The Hong Kong University of Science and Technology (HKUST) in pre-recorded VAT mode with the teaching support from designated HKUST Teaching Assistant (TA). TA will address to learners' questions and concerns during training, collect and respond to queries in real-time or share in subsequent classes or via HKIB after obtaining professors' insights on unresolved questions.

### 7.3 Training 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 training dates and application deadlines at any time.

## 7.4 Training Fee and Payment

| Module | 2025 Training Fee per module <sup>^</sup> |
|--------|-------------------------------------------|
| 1 – 2  | HKD4,300                                  |
| 3      | HKD7,700                                  |
| 4      | HKD8,800                                  |
| 5      | HKD6,800                                  |

<sup>^</sup> Digital version of training material (e.g., Study Guide, PPT Slides) will be provided before the training commencement. Printed version will only be available at an additional cost of HKD600 per module (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.

## 8. Examination Application and Regulations

### 8.1 Examination Mode and Format

The examination mode and format for Core Level are as follows:

| Module               | 1 / 2                                 | 3                                     |
|----------------------|---------------------------------------|---------------------------------------|
| Examination Mode     | Paper-based Examination               |                                       |
| Examination Duration | 1.5 hours per Module                  | 2.5 hours per Module                  |
| Question Type        | Multiple-choice Type Questions (MCQs) | Multiple-choice Type Questions (MCQs) |
| No. of Questions     | 50 MCQs per Module                    | 80 MCQs                               |
| Pass Mark            | 70%                                   |                                       |
| Grading              | Grade                                 | Mark Range                            |
|                      | Pass with Distinction                 | Above 90%                             |
|                      | Pass with Credit                      | 80% - 90%                             |
|                      | Pass                                  | 70% - 79%                             |
|                      | Fail A                                | 60% - 69%                             |
|                      | Fail B                                | 50% - 59%                             |
|                      | Fail C                                | Below 50%                             |
|                      | Absent                                | N/A                                   |

The examination mode and format for Professional Level are as follows:

| Module               | 4                                             | 5          |
|----------------------|-----------------------------------------------|------------|
| Examination Mode     | Paper-based Examination                       |            |
| Examination Duration | 3 hours per Module                            |            |
| Question Type        | Multiple-choice (MCQs) & Essay Type Questions |            |
| No. of Questions     | 50 MCQs & 2 out of 3 questions                |            |
| Pass Mark            | 60%                                           |            |
| Grading              | Grade                                         | Mark Range |
|                      | Pass with Distinction                         | Above 85%  |
|                      | Pass with Credit                              | 75% - 85%  |
|                      | Pass                                          | 60% - 74%  |
|                      | Fail A                                        | 56% - 59%  |
|                      | Fail B                                        | 46% - 55%  |
|                      | Fail C                                        | Below 46%  |
|                      | Absent                                        | N/A        |

## 8.2 Examination Timetable

- ✚ For latest information about the examination application period and examination dates, please refer to [Examination Schedule on HKIB website](#).

## 8.3 Examination Approaches

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

## 8.4 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 HKD200 (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 your 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.

### 8.5 Examination Fee and Payment

| <b>Module</b> | <b>2025 Examination Fee per module <sup>#</sup></b> |
|---------------|-----------------------------------------------------|
| 1 – 2         | HKD600                                              |
| 3             | HKD1,500                                            |
| 4 - 5         | HKD1,500                                            |

<sup>#</sup> HKIB student members can enjoy 50% off examination fee discount.

- ✚ 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.

### 8.6 Examination Attendance Notice

- ✚ Examination Attendance Notices (Attendance Notices) are sent to candidates via

**email ONLY** approximately **two weeks** before the examination. Candidates must inform the Institute if they have not received it **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) bearing a current photograph. Photocopies are not accepted.
- ✚ For candidates attending “Remote Exam”, details regarding the prerequisite “Rehearsal Practice Examination” will also be attached.

### **8.7 Alteration / Transfer of Application for an Examination**

- ✚ HKIB reserves the right to cancel, postpone and / or reschedule the examination.
- ✚ If an examination is rescheduled, HKIB notifies candidates of the new date and time via email within one week of the original schedule. Under such circumstances, candidates are not required to re-register for the examination.
- ✚ Under no circumstances are any changes to or transfers of examination application allowed.

### **8.8 Examination Arrangements for Candidates with Special Needs**

- ✚ Candidates with special needs may request special examination arrangements. Under these circumstances they are 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. Approval of the request is subject to final HKIB decision.
- ✚ Request for such arrangements may result in an additional charge.

### **8.9 Examination Preparation**

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

### **8.10 Examination Results**

#### Examination Results Announcements

- ✚ Candidates will receive email notification once the examination results are available

through HKIB online platform. For multiple-choice type questions **ONLY** examination, result will be released within four weeks after the examination date. For examinations with the presence of essay-type questions, result will be released around eight weeks after the examination date of the last module of the exam diet. The online examination results will be removed one month after the result release date.

- + Candidates will receive official examination results slip by e-mail within two weeks after the examination result is released through HKIB online platform.
- + Results are withheld from candidates who have not paid in full any monies due or payable to the Institute, including but not limited to examination application fees.

### Examination Results Review

- + Candidates may request rechecking or remarking of their examination scripts, within one month of the issue of examination results by submitting an official [Examination Result Appeal Form](#) via HKIB website.
- + Rechecking fee of HKD500 per module is only applicable for multiple choice examinations and this fee covers the re-checking for technical errors only such as incorrect mark entries for multiple-choice answer sheets. Remarking fee of HKD1,700 per module is only applied to other types of examination.

## **8.11 General Examination Regulations**

- + An examination is governed by the regulations in force at the time of the examination and not at the time of application, in case there are discrepancies between the two sets of regulations.
- + On all matters concerning interpretation of the regulations, the Professional Standard and Examination Board of the Institute has the final decision.
- + Candidates must complete the training class before taking the examination.
- + The examination is conducted in English.
- + Candidates must use an HB/2B pencil to answer the multiple-choice questions on the Answer Sheets.
- + Examinations are conducted and invigilated by responsible persons appointed by HKIB.
- + Examination Attendance Notices are sent to candidates via email **ONLY**. Candidates are required to print a copy on a plain sheet of A4 paper and **MUST** present their Attendance Notice to each examination, along with a valid identification document (e.g.



HK Identity Card or passport). Attendance Notices are collected by the invigilators before the end of the examination, if necessary.

-  Candidates should arrive at the examination venue at least 15 minutes before the start. 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 present Attendance Notice/valid identification document, or if the identification document does not contain a clear and current photograph of the candidate.
-  All examinations 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 must be switched off and placed in a location advised by the invigilator before the examination begins.
-  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 other papers to the toilet.
-  No other aids, such as books, dictionaries, computers (e.g. notebooks, PC tablets) or papers are permitted in the examination. No draft paper is 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 are 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 candidate during the examination. Candidates interfering with the proper conduct of the examinations are warned by the invigilator or expelled from the examination room in a serious case. Under such circumstances, a report is submitted to HKIB to consider whether disciplinary action should be taken. Disciplinary action includes, but is not limited to, candidate disqualification.
-  Candidates cannot leave the examination room 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 are not allowed to re-enter the examination room.
-  Candidates must stop writing when instructed to do so by the invigilator.

-  Candidates must not detach any part of their answer sheet, or remove their answer sheet, wholly or partly, from the examination room.
-  Candidates are not allowed to communicate with other candidates during an examination. They are also prohibited from communicating with third parties outside the examination room by using any electronic device. The invigilator has the right to expel candidates from the examination room if their behaviour interferes with the proper conduct of the examination. Any candidate attempting to copy from another candidate's script or any other source is disqualified.
-  If any candidate infringes any of the above regulations, he/she is liable to disciplinary actions, including disqualification.

## 9. Certification Application and Renewal Process

### 9.1 Certification Application

Relevant Practitioners who have completed Modules 1 to 3 of the “ECF-Compliance (Core Level)” Programme and obtained a pass in the relevant examinations, may apply for Certification “*Associated Compliance Professional (ACOP)*” with HKIB professional membership.

Relevant Practitioners who have completed Modules 4 of the “ECF-Compliance (Professional Level)” Programme and obtained a pass in the relevant examination plus at least 5 years of relevant work experience as specified in Annex 1 of the HKMA [Guide to Enhanced Competency Framework on Compliance](#), may apply for Certification “*Certified Compliance Professional - General Compliance Stream (CCOP(GC))*” with HKIB professional membership.

Relevant Practitioners who have completed Module 4 plus Module 5 of the “ECF-Compliance (Professional Level)” Programme and obtained a pass in the relevant examinations plus at least 5 years of relevant work experience as specified in Annex 1 of the HKMA [Guide to Enhanced Competency Framework on Compliance](#) may apply for Certification “*Certified Compliance Professional – Investment and Insurance Compliance Stream (CCOP(IIC))*” with HKIB professional membership.

Applicants are required to submit a completed Certification Application Form to HKIB together with the relevant supporting documents and payment of the required certification fee. The Certification Application form can be obtained from HKIB website.

Certification holders are registered as Certified Individuals and included in the public register on HKIB website. Upon successful application for the above Certification(s), professional membership is also granted by HKIB.

### 9.2 Certification Renewal

Certification of Associated Compliance Professional (ACOP), Certified Compliance Professional - General Compliance Stream (CCOP(GC)) and Certified Compliance Professional - Investment and Insurance Compliance Stream (CCOP(IIC)) are subject to annual renewal by HKIB.

Relevant Practitioners are required to comply with the annual Continuing Professional Development (CPD) Scheme in order to renew their Certification.

For the Core Level qualification, the requirement is a minimum of 10 verifiable CPD hours for each calendar year (ending 31 December), of which at least 5 hours should be earned from activities related to topics of compliance, legal and regulatory requirements, risk management and ethics.

For the Professional Level qualifications, the requirement is a minimum of 12 verifiable CPD hours is required for each calendar year (ending 31 December), of which at least 6 hours should be earned from activities related to topics of compliance, legal and regulatory requirements, risk management and ethics.

The remaining hours should be on training topics related to banking and finance or the job function. Examples of appropriate training topics include:

- a) Compliance, code of conduct, professional ethics or risk management (including AML/CFT and other regulatory related topics);
- b) Banking and financial knowledge;
- c) Economics;
- d) Accounting;
- e) Legal principles;
- f) Business and people management;
- g) Language and information technology; and
- h) Subject areas covered in HKIB's professional examinations.

Certification holders are required to renew their certification registration annually in January. Renewal email will be sent to members before renewal deadline. Certification holders who do not pay the continuing membership subscription on or before 31 January of each calendar year are treated as Default Members.

### 9.3 Certification Fee and Payment

- ✚ The application fee for certification in various categories are as follows: (Valid until 31 December 2025)

|                              |                                                                                                                                                        |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Certification</b>         | First year certification<br>- Non-HKIB member: HKD2,180<br>- Current HKIB ordinary member: HKD950<br>- Current HKIB professional member: <b>Waived</b> |
| <b>Certification Renewal</b> | Annual Fee<br>- Certification: HKD2,180<br>- Reinstatement fee of default member: HKD2,000                                                             |

- ✚ Applicants should pay the Certification Fee and Certification Renewal Fee as follows:
- (a) Paid by Employer.
  - (b) By credit card. Please provide your credit card information on the application form.
  - (c) By FPS payment. Please provide your FPS payment receipt.
- ✚ Application forms without payment instruction are **NOT** processed.
- ✚ **NO** fees are refunded or transferred under any circumstances.
- ✚ Applicants are advised to keep a record of their payment.
- ✚ HKIB reserves the right to adjust the certification, re-certification and / or administration surcharge fees (if applicable), at any time.

### 9.4 Certification and HKIB Membership Regulations

It is mandatory for all individuals to maintain a valid membership status with HKIB if the applicants want to apply for and maintain certification and be subject to HKIB membership governance.

Once an application is processed, the membership subscription and registration fees are non-refundable and non-transferable.

The name of the member to be entered on HKIB's records is that on the certification application form. This name, and the order and spelling in which it is presented are used subsequently on all transcripts, pass lists, diplomas, and certificates except where a member has

notified HKIB of any change. Such notification must be accompanied by a certified true copy<sup>1</sup> of documentary confirmation, e.g. Hong Kong Identity Card, birth certificate, statutory declaration, etc.

Certification holders are bound by the prevailing rules and regulations of HKIB. They are abided by HKIB's rules and regulations in HKIB Members' Handbook. Certification holders are required to notify HKIB of any material changes to any information provided and responses made in certification application, including their contact details. HKIB may investigate the statements certification holders made with respect to applications, and applicants may be subject to disciplinary actions for any misrepresentation (whether fraudulent and otherwise) in their applications.

### 9.5 Membership Reinstatement

Members who have not paid the membership/certification fees when due shall be considered as default members and are not entitled to use any HKIB Professional Qualification and neither may call themselves members of the Institute.

Default members who reinstate their membership with HKIB are required to pay the current year's membership fee plus a reinstatement fee. Once the membership is reinstated, the member's examination record, if any, is reactivated

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<sup>1</sup> Submitted copies of documents to HKIB must be certified as true copies of the originals by:

- HKIB designated staff; or
- HR / authorized staff of current employer (Authorized Institution); or
- A recognised certified public accountant / lawyer / banker / notary public; or
- Hong Kong Institute of Chartered Secretaries (HKICS) member.
- The certifier must **sign** and **date** the copy document (printing his/her **name** clearly in capital letters underneath) and clearly indicate his/her **position** on it. The certifier must state that it is a true copy of the original (or words to similar effect).

## 10. Exemption Application and Regulations

### 10.1 Modular Exemption Requirements

Exemption for modules of the “Associated Compliance Professional (ACOP)” will be granted for practitioners who have passed any of the following training / professional programme(s):

| Module          | Training Programme                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Programme Provider                    |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| <b>Module 1</b> | Certified Professional Risk Manager                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Asia Risk Management Institute        |
|                 | Certification in Risk Management Assurance                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Institute of Internal Auditors        |
|                 | International Diploma in Governance, Risk and Compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                          | International Compliance Association  |
|                 | Professional Ethics and Compliance module under the Advanced Diploma for Certified Banker (Stage I)                                                                                                                                                                                                                                                                                                                                                                                                               | The Hong Kong Institute of Bankers    |
|                 | Bachelor's or higher degree in law                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Universities in Hong Kong or overseas |
|                 | OR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                       |
|                 | A candidate who is the holder of the following professional qualification(s) is eligible to apply for exemption on Module 1 of the ECF-Compliance Core Level training programme:                                                                                                                                                                                                                                                                                                                                  |                                       |
|                 | <ul style="list-style-type: none"> <li>- Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants (HKICPA); or</li> <li>- Full member of Association of Chartered Certified Accountants (ACCA); or</li> <li>- Member of overseas accountancy bodies which are eligible for full exemption from the qualification programme for membership admission at the HKICPA under the HKICPA's reciprocal membership and mutual recognition agreements (as listed on its website).</li> </ul> |                                       |
|                 | OR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                       |
|                 | Successfully completed the training and examination of M1 of ECF on Operational Risk Management                                                                                                                                                                                                                                                                                                                                                                                                                   | The Hong Kong Institute of Bankers    |

| Module          | Training Programme                                                                              | Programme Provider                 |
|-----------------|-------------------------------------------------------------------------------------------------|------------------------------------|
| <b>Module 2</b> | Successfully completed the training and examination of M2 of ECF on Operational Risk Management | The Hong Kong Institute of Bankers |

## 10.2 Modular Exemption Application

- ✚ Candidate with relevant qualifications may apply for modular exemption on the above-mentioned Modules of the ECF-Compliance Core Level.
- ✚ Exemption application should be made on an exemption form together with the following documents/items; failing to do so delays assessment:
  - i. Appropriate fees (application fee and exemption fees)
  - ii. Copies of transcript and certificate, if applicable

*Note: Candidates are required to submit the exemption form ONLY if they attended the training and completed the examination offered by HKIB.*
- ✚ Documents submitted will not be returned regardless of the application result.
- ✚ Unless otherwise specified, exemption application based on partially attained qualification is not accepted.
- ✚ Exemption claims granted to student members are only registered in HKIB's record upon the student members' graduation.
- ✚ Exemption results are normally given in writing within 60 days after receipt of application and supporting documents. If further assessment is needed due to unexpected circumstances, separate notifications are given. The decision of the Institute is final and cannot be appealed.
- ✚ Candidate attempting but failing in a module may subsequently claim exemption from that module if they obtain a new/further qualification recognised for exemption purposes.
- ✚ An exemption confirmation letter is issued to candidate whose exemption application is granted.
- ✚ Candidate exempted from a module subsequently attempting that module by examination, have their exemption status overridden.



## 11. General Information

### 11.1 Bad Weather Arrangements

In the event of bad weather on the training class/examination day, learners/candidates 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.

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

#### For On-site Training

| 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 <u>starts from 9:00am to 2:00pm</u> will be rescheduled.  |
| At or after 12:00noon | Session <u>starts from 2:00pm to 6:00pm</u> will be rescheduled.  |
| At or after 4:00pm    | Session <u>starts from 6:00pm to 10:00pm</u> will be rescheduled. |

#### For Virtual Training / Remote Examination

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

### **11.2 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 in writing to HKIB by using HKIB's email address of [cs@hkib.org](mailto:cs@hkib.org).

Candidates are advised to read the [Privacy Policy Statement](#) at HKIB website 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.

### **11.3 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 Head 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)

### Office Service Hours

Monday – Friday: 09:00 - 18:00 (except public holidays)