



Certified Private Wealth Professional (CPWP)

Module 2 – Ethics and Compliance

Examination Handbook

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Introduction

The Enhanced Competency Framework (ECF) was developed by a Task Force chaired by the Hong Kong Monetary Authority to ensure individuals engaged in providing services to private wealth management (PWM) clients have an enhanced level competency in the technical, industry, product knowledge, ethics and compliance areas.

The ECF contains two modules – Module 1 on Technical, Industry and Product Knowledge; Module 2 on Ethics and Compliance. Relevant Practitioners will be certified by the Private Wealth Management Association (PWMA) as Certified Private Wealth Professional (CPWP). Module 2 is a compulsory module for the CPWP Certification. Coordinated with PWMA, HKIB is the initial provider for the Module 2 training programmes and examinations in Hong Kong.

Certified Private Wealth Professional (CPWP) Module 2

The objectives of CPWP Module 2 on Ethics and Compliance are:

- ➔ To demonstrate an adequate understanding and practical application of legal and regulatory requirements, and ethics relevant for practitioners; and
- ➔ To demonstrate a broad-based view of risk governance, risk culture and risk management, and an understanding of the wider implications and long-term impact of own actions on various stakeholders.

It is advised that new entrants and existing PWM industry practitioners engaged by PWM institutions who are involved in customer-facing roles making personalized or customized solicitations or recommendations to customers in the provision of securities dealing and advisory service and/or portfolio management service to take the Module 2 training and / or examination.

The CPWP Module 2 is pitched at Level 5 of the Qualifications Framework. For the examination outline of Module 2, please refer to “Examination Structure” of this handbook.

Examination Structure

1. Examination Mode and Format

The examination mode and format of the CPWP Module 2 Examination are set out as follows:

Examination Mode	Paper-based Examination
Examination Duration	1 Hour
Question Type	Multiple-choice Type Questions (MCQ)
Paper Language	English (unless otherwise specified)
No. of Questions	40
Pass Mark	70%
Grading	Pass / Fail / Absent

2. Examination Outline

The examination outline of the CPWP Module 2 on Ethics and Compliance is as follows:

Chapter	Topic
1	Legal and regulatory regime in Hong Kong
2	Regulatory requirements on sales of investment products
3	Relevant laws and regulations relating to client's engagement and relationship building
4	Code of Ethics and Conduct set by the PWMA
5	Fiduciary duties, ethical values and professional conduct
6	Practical application of legal and regulatory requirements
7	Controls and accountabilities, reporting and escalation policies
8	Risk management, risk governance and risk culture of PWM institutions

You may also refer to PWMA website <http://www.pwma.org.hk/> for detailed CPWP Module 2 Examination Syllabus.

Entry and Completion Requirements

1. Entry Requirements

- The CPWP Module 2 Examination is open for all interested parties.
- If applicants wish to sit the examination for CPWP Certification purpose, they are advised to check with PWMA with regard to the registration requirements before enrolment in the CPWP Module 2 Examination.

2. Completion Requirements

- If applicants wish to sit the examination for CPWP Certification or other purposes, e.g. fulfillment of employer's requirements, they are advised to check with PWMA or their employers with regard to the completion requirements in advance.

Examination Enrolment

1. Examination Timetable

- For the latest information of the CPWP Module 2 Examination enrolment period and examination dates, please contact HKIB or refer to the HKIB website at <http://www.hkib.org>.

2. Examination Enrolment

- Applicants can obtain the enrolment form: (i) from HKIB website; or (ii) in person from the counter of HKIB Head Office during office service hours.
- The information provided on the enrolment form must be true and clear. Applicant should submit the completed and signed enrolment form, together with the appropriate examination fee, to HKIB Head Office on or before the corresponding enrolment deadline.
- Enrolment forms can be returned by fax, by email, by hand or by registered mail to avoid loss in the mail, but attention must be paid to the enrolment period of the examination enrolment. Applicants applying by post are reminded to allow sufficient time for mailing. Applications received by HKIB after the corresponding enrolment deadline will NOT be accepted.

- ◆ Inaccurate or incomplete applications for enrolment may not be accepted even though payment of the examination fee has been made. **NO** applications will be accepted after the corresponding enrolment deadline.
- ◆ Each applicant should submit ONE enrolment form only for each examination.
- ◆ The examination enrolments will be made on a first-come-first-served basis. HKIB reserves the right to reject late applications and / or any enrolments deemed inappropriate.
- ◆ Once HKIB has received the enrolment form, **NO** alterations of the examinations and examination arrangement will be allowed.
- ◆ HKIB reserves the right to change the examination dates and the enrolment deadlines at any time.
- ◆ Applicants are advised to retain a copy of the completed enrolment form for their own record.

3. Examination Fee and Payment

- ◆ The fees of CPWP Module 2 Examination and study guide should be refer to the latest exam schedule at HKIB Website at <http://www.hkib.org>.
- ◆ Applicants should pay the examination fee as follows:
 - (a) By credit card.
 - (b) By Alipay.
 - (c) By WeChat Pay.
- ◆ Enrolment form without payment instruction will **NOT** be processed.
- ◆ All payments must be settled before the examination. All paid fees will **NOT** be refunded or transferred under any circumstances.
- ◆ Applicants are advised to keep a payment record.
- ◆ Acknowledgement of the examination enrolment will be sent to candidates via e-mail within **7 full working days** of receiving the enrolment form. Candidates who fail to receive the acknowledgement within the above said period should inform the Institute immediately.
- ◆ HKIB reserves the right to adjust the fees of examination, study guide and / or administration surcharge (if applicable), at any time.

4. 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.

5. Alteration / Transfer of Enrolment for the Examination

- ▶ HKIB reserves the right to cancel, postpone and/or reschedule the examinations.
- ▶ If an examination is rescheduled, HKIB will notify candidates of the new examination's date and time via email within 1 week of the original scheduled examination date. Under such circumstances, candidates are not required to re-register for the examination.
- ▶ Requests for alteration or transfer of enrolled examinations will NOT be accepted under any circumstances including sickness, business or travel arrangements, or for any other reasons.

6. Examination Arrangement for Candidates with Special Needs

- ▶ Candidates with special needs can request for special examination arrangements in the CPWP Module 2 Examination. In this case, they are required to submit the documentary evidence such as medical proof issued by a registered medical practitioner, together with the written request, when applying for the examination.
- ▶ Any request for such arrangements may result in an additional charge.

7. CPWP Grandfathering

- ▶ PWM practitioners with at least 10 years of relevant work experience may be eligible for “grandfathering”. Relevant Practitioners who are “grandfathered” are required to pass the CPWP Module 2 Examination or complete the Ethics and Compliance training programmes. Please refer to PWMA “Guidelines for Grandfathering” for details on grandfathering eligibility criteria and requirements.

Preparation of Examination

- Each candidate who has enrolled in the CPWP Module 2 Examination will be given ONE study guide (English version only) for preparation. The study guide will be sent to you by email upon confirmation of your application.
- Apart from reading the study guide, candidates are encouraged to take the CPWP Module 2 training programmes to gain better understanding of the topics.

Examination Results

- 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.
- Candidates will receive official examination results slip by e-mail within two weeks after the examination result is released through HKIB online platform.
- Candidates who sit the examination for CPWP Certification purpose should submit the result slip of CPWP Module 2 Examination issued by HKIB to PWMA for certification. Candidates are advised to check with PWMA with regard to the certification procedures and keep a copy of the result slip for record.
- 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.
- 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.

General Regulations

An examination is governed by the Regulations in force at the time of the examination and not by the Regulations in force at the time when a candidate was initially registered, in case of any discrepancies between the two sets of Regulations. Candidates must comply with the regulations and timetable published in this examination handbook, enrolment form and HKIB website. Those who are in breach of the regulations may be disqualified from the examination.

- On all matters concerning the interpretation of the Regulations, HKIB has the final discretionary power and rights.
- All examination questions are set in English.
- For all multiple-choice type questions, candidates must use HB/2B pencil to answer the questions on the Answer Sheets.
- The examinations will be conducted and invigilated by responsible persons appointed by the Institute.
- Examination Attendance Notices (Attendance Notices) will be sent to candidates via email ONLY. Candidates are required to print a copy of the Attendance Notice on a plain A4 paper and MUST take their Attendance Notice to each examination, along with documentary proof of their identity that bears their current photograph (e.g. HKID card, Passport, etc.). The Attendance Notice will be collected by the invigilators before the end of the concerned examination.
- Candidates should arrive at the examination venue at least 15 minutes before the start of the examination. Candidates must not enter the examination room until instructed to do so.
- Candidates are not allowed to sit for the examination if they are unable to produce the Attendance Notice / documentary proof of their identity, or their documentary proof of their identity does not contain their current and clear photograph.
- All examinations will begin at the time stated in the Attendance Notice. Latecomers may be admitted during the first 15 minutes at the discretion of the invigilator, but not thereafter. All latecomers will not be given any extra time under any circumstances.
- Smoking, eating and drinking are not allowed in the examination room. All mobile phones and other electronic devices must be switched off.
- All bags, books and other personal belongings must be placed in a location as advised by the invigilator before the examination begins.
- During the examination, candidates must remain in seat. In case of emergency a candidate may be allowed to leave the examination room and return under supervision. If candidates have to call the invigilator during the examination for exceptional reasons, they must raise hand in silence. Candidates cannot take any materials or electronic devices from the examination room during absence.

- No other aids, such as books, dictionaries, computers (e.g. notebook, PC tablet), papers are permitted in the examination. No draft paper will be provided during the examination. Rough workings or notes made during the examination should be ruled through to indicate they do not form part of the answer.
- The packets of question papers will be opened in the presence of the candidates at the start of the examination. Candidates should remain silent and are not allowed to communicate with other students during the examinations. Candidates interfering with the proper conduct of the examinations will be warned by the invigilator or expelled from the examination room in a serious case. In such circumstance, a report will be submitted to the HKIB for disciplinary action consideration against the misconduct behavior. The disciplinary action includes but not limited to a disqualification of the candidature.
- No early departure from the examination room is allowed in the CPWP Module 2 Examination.
- Any candidate who attempts to copy from another candidate's answer sheet or any other source will be automatically disqualified. The most serious disciplinary action is lifetime ban from taking the examination.
- At the end of the examination, candidates must stop writing when instructed to do so by the invigilator. Candidates must return their question papers, answer sheets, supplementary sheets (if any) and Attendance Notices to the invigilators. Candidates must not detach or remove any part of the question papers or answer sheets. Candidates can neither copy whole or part of questions in any form nor take the question papers and answer sheets away after the examination. Any candidate who attempts to do so will be automatically disqualified.
- After the question papers have been handed out, candidates must not communicate or attempt to communicate with each other or other party outside the examination room using any electronic device until they have left the examination room.

Bad Weather Arrangement

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 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 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.

- ▶ The HKIB reserves the right and absolute sole discretion to postpone, cancel and/or reschedule an examination.

Policy of Personal Data Protection

The personal data provided by the candidate will be used for the examination administrative and communicative purposes. Failure to provide complete and accurate information may affect the provision of administrative services to the candidate. The Institute will keep 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 the examination services to the Institute. Candidates have the right to request access to and correction of their personal data. For details, candidates can contact the Institute or refer to the HKIB website.

Candidates are advised to read the Policy of Personal Data Protection in Appendix 1 to understand their rights and obligations in respect of the supply of personal data to HKIB and the ways in which HKIB may use or handle such data.

Disclosure of Information

Upon receipt of consent from an applicant/candidate, HKIB will transfer, release, disclose and/or provide the applicant's/candidate's personal data (including but not limited to the Hong Kong Identity Card number and passport number), all personal data that he/she has previously supplied (if any) and any examination-related information, including the result of the examination and information on the candidate's conduct and behavior while taking the examination, to PWMA. Such data will be used by PWMA for monitoring and verifying purposes as well as any other related purposes of assisting them to perform and discharge their functions in the CPWP Certification.

Addendums and Changes

HKIB reserves the right to make changes and additions to the examination regulations, the enrolment procedures, the information in this handbook and any policies related to CPWP Module 2 Examination without prior notice. HKIB shall bear no responsibility for any loss of candidates due to any change and addition made to the aforesaid subjects.

Contact Information

HKIB Head Office Address

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



General Enquiry

Tel.: (852) 2153 7800 Facsimile: (852) 2544 9946 Email: cs@hkib.org

Membership Enquiry

Tel.: (852) 2153 7879 Email: membership@hkib.org

Examination Enquiry

Tel.: (852) 2153 7800 Email: exam@hkib.org

Training Enquiry

Tel.: (852) 2153 7800 Email: programme@hkib.org

Office Service Hours

Monday – Friday: 09:00 - 18:00

Saturday, Sunday & Public Holiday: Closed