

Module Outline

ECF on Retail Wealth Management (RWM)

Module 3 “Essentials of Banking”

Benchmarked HKQF Level:	4
No. of Credits:	20
Total Notional Learning Hours:	200
a) Class contact hours:	15 hours (3-hour per session x 5)
b) Self-study hours:	182.5 hours
c) Assessment hours:	2.5 hours
Pre-requisite:	NA

Module Objective

The module aims to provide candidates with pre-requisite knowledge and skills for banking and financial services and offer a good grounding for a professional career in banking and finance.

Module Intended Outcomes (MIOs) and Units of Competencies (UoCs)

Upon completion of the Module 3, candidates should be able to:

MIOs	Intended Outcomes / Competence	*Unit of Competencies (UoCs)
MIO-1	Describe the global and Hong Kong financial systems and markets.	107295L4 107310L5 107518L4 107519L4 107520L4
MIO-2	Describe banking products and services.	
MIO-3	Explain how various banking products and services assist financial planners to provide “one-stop solutions” to customers.	
MIO-4	Relate the key regulatory requirements to business of authorized institutions and their compliance.	
MIO-5	Interpret the Code of Banking Practice for banking services and the professional ethics of a banker.	

**Note: For the details of the UoCs, please refer to the Specification of Competency Standards (SCS) of [Retail Banking](#) and [Corporate & Commercial Banking](#) which were developed by HKCAAVQ.*

Assessment

Examination duration:	2.5 hours
Examination format:	Multiple Choice Questions (MCQ) with 80 questions
Pass mark:	70%

Syllabus

Chapter 1: Global Financial and Banking Systems	
1.1	The Role of the Financial System in the Global Economy
1.1.1	- Supply and Demand
1.1.2	- Economic Sectors
1.1.3	- Flow of Funds
1.1.4	- International Capital and Investment Flows
1.1.5	- Sustainability and Green Banking
1.1.6	- Participants in the Global Financial System
1.2	Money and Banking System
1.2.1	- Supply of Money
1.2.2	- Functions of Banking in the Financial System
1.2.3	- The Global Banking Business
1.2.4	- Central Banks
1.2.5	- The Bank Organisation
1.2.6	- Virtual Banking and Digital Banking
1.2.7	- Banking and Financial Services in Hong Kong
1.2.8	- Banking and Financial Services Industry in China
Chapter 2: Overview of Banking Services	
2.1	Personal Banking Services
2.1.1	- Deposit Accounts
2.1.2	- Home Mortgage Loans
2.1.3	- Personal Loans
2.1.4	- Credit Card / Debit Card
2.1.5	- Bancassurance
2.1.6	- MPF Services

2.1.7	- Personal Renminbi Services
2.1.8	- Wealth Management Services
2.1.9	- Electronic Banking
2.1.10	- Use of Artificial Intelligence in Personal Banking Services
2.2	Commercial Banking Services
2.2.1	- Trade Financing
2.2.2	- Working Capital Financing
2.2.3	- Asset-based Financing
2.2.4	- Syndicated Loans
2.2.5	- Project Finance
2.2.6	- Debt Financing
2.2.7	- Equity Financing
2.3	Treasury Services
2.3.1	- Foreign Exchange
2.3.2	- Money Market
2.4	Investment Banking Services
2.4.1	- Mergers and Acquisitions
2.4.2	- Private Equity Investments
2.5	Private Banking Services
2.5.1	- Investment Advisory
2.5.2	- Investment and Asset Management
2.5.3	- Wealth Planning Solutions
2.5.4	- Alternative Investment Solutions
Chapter 3: Introduction to Risk Management, Risk Governance and Risk Culture in Banking	
3.1	Process of Institution-wide Risk Management
3.1.1	- Policies and Procedures
3.1.2	- Risk Limits
3.1.3	- New Products and Services
3.1.4	- Risk Management Function
3.1.5	- Risk Management Information System
3.1.6	- Risk Measurement and Assessment Systems

3.1.7	- Risk-adjusted Performance Measurement
3.2	Types of Risk
3.2.1	- Credit Risk
3.2.2	- Market Risk
3.2.3	- Interest Rate Risk
3.2.4	- Liquidity Risk
3.2.5	- Operational Risk
3.2.6	- Legal Risk
3.2.7	- Reputation Risk
3.2.8	- Strategic Risk
3.2.9	- Sustainability Risk
3.3	Risk Governance and Risk Culture
3.3.1	- Definition of Risk Governance and Risk Culture
3.3.2	- Principles of Proper Risk Governance, Risk Culture, Risk Appetite and Values
3.3.3	- Relevance of Risk Governance and Risk Culture to a Practitioner's Business Conduct
3.3.4	- Impact and Responsibilities of a Practitioner's Actions on and towards Customers, the Institution and other Stakeholders
3.3.5	- Setting and Monitoring of a Remuneration System that Aligns with the Institution's Risk Management
3.3.6	- Risk Management, Compliance and Internal Audit
3.3.7	- Ensuring Personal and Team Compliance
3.3.8	- Best Practices and Case Studies
Chapter 4: Regulation and Compliance	
4.1	Fundamentals of Banking Ordinance
4.1.1	- Principles
4.1.2	- Functions of the Hong Kong Monetary Authority
4.1.3	- Legal Framework of the Banking Ordinance
4.1.4	- Systemically Important Authorized Institutions (SIBs)
4.1.5	- Exposure Limits
4.1.6	- Liquidity requirements
4.2	HKMA Supervisory Policy Manuals
4.2.1	- Background

4.2.2	- Purpose
4.3	Regulation of Securities and Futures Markets
4.4	Regulation of Insurance and MPF
4.4.1	- Regulation of the Insurance Market
4.4.2	- Regulation of the MPF Market
4.5	Other Relevant Legislation
4.5.1	- Prevention of Money Laundering
4.5.2	- Protection of Customer Data
4.6	Code of Banking Practices and Banking Services
4.6.1	- Product Suitability Assessment
4.6.2	- Risk Disclosure
4.6.3	- Enhanced Investor Protection Measures
4.6.4	- “Treat Customers Fairly” (TCF) Charter
Chapter 5: Ethics and Code of Conduct of a Banker	
5.1	Banker’s Ethics in Duty of Secrecy
5.1.1	- The Tournier Principles
5.1.2	- Consequences of a Breach of Confidentiality
5.1.3	- Practical examples
5.1.4	- Cases of confidentiality breach
5.2	Banker’s Code of Conduct
5.2.1	- Banker’s Fiduciary Duties
5.2.2	- Duty to Disclose Potential Conflict of Interest
5.2.3	- Lending to Connected Persons
5.3	Security Challenges in Electronic Banking
5.3.1	- Types of e-banking scams and frauds
5.3.2	- Enhanced consumer protection in the electronic banking environment

Recommended Readings

Essential Readings:

1. HKIB Study Guide of ECF-RWM: Module 3 Essentials of Banking. (2025).

Supplementary Readings

1. Anti-Money Laundering and Counter-Terrorist Financing Ordinance, Cap 615, Law of Hong Kong (2023).
2. Banking Ordinance, Cap 155, Law of Hong Kong (2024).
3. Companies Ordinance, Cap 622, Law of Hong Kong (2024).
4. E-Learning on HKIB Website: Introduction to Banking
5. E-Learning on HKIB Website: Banker Customer Relationship
6. E-Learning on HKIB Website: Types of Customers and Their Accounts
7. E-Learning on HKIB Website: Deposit Accounts
8. E-Learning on HKIB Website: Negotiable Instruments and Related Matters
9. E-Learning on HKIB Website: Loans and Advances
10. E-Learning on HKIB Website: Fee Based Banking Services
11. E-Learning on HKIB Website: Know Your Customer
12. Employment Ordinance, Cap 57, Law of Hong Kong (2024).
13. Hong Kong Association of Banks & DTC Association. (2023). *Code of Banking Practice*.
[https://www.hkab.org.hk/files/page/code-of-bank/1/Code_of_Banking_Practice\(7_Dec_2023\)-1701936141.pdf](https://www.hkab.org.hk/files/page/code-of-bank/1/Code_of_Banking_Practice(7_Dec_2023)-1701936141.pdf)
14. Hong Kong e-Legislation, <https://www.elegislation.gov.hk/>
15. Hong Kong Exchanges and Clearing Limited, <https://www.hkex.com.hk>
16. Hong Kong Monetary Authority. (2022). *HKMA Supervisory Policy Manual CG-3 Code of Conduct*. <https://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/supervisory-policy-manual/CG-3.pdf>
17. Hull, J. (2023). *Risk Management and Financial Institutions* (6th Ed.). John Wiley & Sons.
18. Inland Revenue Ordinance, Cap 112, Law of Hong Kong (2024).
19. Insurance Authority, <https://www.ia.org.hk/en/index.html>
20. Insurance Ordinance, Cap 41, Law of Hong Kong (2024).
21. Mandatory Provident Fund Schemes Authority, <https://www.mpfa.org.hk/>
22. Mandatory Provident Fund Schemes Ordinance, Cap 485, Law of Hong Kong (2024).
23. Misrepresentation Ordinance, Cap 284, Law of Hong Kong (2024).
24. Personal Data (Privacy) Ordinance, Cap 486, Law of Hong Kong (2021).
25. Securities and Futures Ordinance, Cap 571, Law of Hong Kong (2024).
26. Trustee Ordinance, Cap 29, Law of Hong Kong (2017).

Further Readings

1. Anti-Deception Coordination Centre. (2024). *Latest Scam Alerts*.
<https://www.adcc.gov.hk/en-hk/alerts.html>

2. Bamford, C. (2020). *Principles of international financial law* (3rd Ed.). Oxford University Press, USA.
3. China Merchants Bank & Bain & Company. (2023). *China Private Wealth Report 2023*. <https://www.bain.cn/pdfs/202311100503254990.pdf>
4. EY Parthenon. (2022). *China Asset Management Report 2022*. https://assets.ey.com/content/dam/ey-sites/ey-com/en_cn/topics/strategy/ey-china-asset-management-report-2022-en.pdf
5. HKMA Codes of Practice, <https://www.hkma.gov.hk/eng/regulatory-resources/regulatory-guides/code-of-practice/>
6. HKMA Guidelines, <https://www.hkma.gov.hk/eng/regulatory-resources/regulatory-guides/guidelines/>
7. Hong Kong Monetary Authority. (2016, January). *HONG KONG The Global Offshore Renminbi Business Hub*. <https://www.hkma.gov.hk/media/eng/doc/key-functions/monetary-stability/rmb-business-in-hong-kong/hkma-rmb-booklet.pdf>
8. National Association of Financial Market Institutional Investors. (2024). *Reform and Development of China's Bond Market*. <https://www.nafmii.org.cn/englishnew/news/202405/P020240516529514320393.pdf>
9. Police Force Ordinance, Cap 232, Law of Hong Kong (2024).
10. SFC Codes and guidelines, <https://www.sfc.hk/en/Rules-and-standards/Codes-and-guidelines>
11. Stowell D. P. & Stowell P. (2023). *Investment Banks, Hedge Funds, and Private Equity* (4th Ed.). Academic Press.
12. WTW MPF comparison, <https://www.wtwco.com/en-hk/insights/trending-topics/mpf-comparison>