

Module Outline

Module Title:	ECF (RWM) – Regulatory Environment for Banking and Financial Planning (M1)
QF Level:	5
QF Credit:	20 (9 or 15 contact hours, around 182 self-study hours and 2.5 examination hours)
Teaching/Training & Learning Activities:	Training Class
Pre-requisite:	N/A

Module Objective:

This module aims to provide candidates with the fundamental knowledge of the laws and regulations governing the financial services industry of Hong Kong. It provides the understanding of the legal and regulatory framework that financial institutions operate their businesses and the practitioners exercising their professional conduct.

Module Intended Learning Outcome (MILO) & Unit of Competency (UoC)

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

<p>MILO1: Describe the legal and regulatory framework governing banking and financial services in Hong Kong for Securities and Futures, and identify regulations applicable to financial planning;</p> <p>MILO2: Understand the key regulatory requirements applicable to investment business of authorized institutions and their compliance;</p> <p>MILO3: Understand the Code of Conduct for investment services and the professional ethics of a practitioner</p>	<ul style="list-style-type: none"> • 107295L4 • 107398L3/ 106670L3 • 107399L3 • 107520L4
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Assessment Activity

Type of Assessment Activity	MILOs	Weighting (%)
Examination	MILO 1-3	100

Examination Format and Duration

Time allowed: 2.5 hours

The examination consists of 75-100 multiple choice questions.

Syllabus

Chapter 1: Regulatory framework of the financial services industry in Hong Kong	
1	Legal principles of Hong Kong law
2	Legal and regulatory regime
3	Ordinance and Regulatory Bodies
Chapter 2: Regulation of securities and markets	
1	Fundamentals of Securities and Futures Ordinance (SFO)
2	Licensing regime
3	Regulated activities under SFO
4	Management and supervision
5	Market misconduct and improper trading practices
6	SFC authorised investment products and services
7	HKMA Guidelines on sale of investment products
8	Major Subsidiary Legislation under the SFO
Chapter 3: Business operations and trading practices in securities and futures industry	
Chapter 4: Code of Conduct under SFC	

Recommended Readings

Essential Readings:

1. HKIB Study Guide - ECF - RWM – Regulatory Environment for Banking and Financial Planning

Supplementary Readings:

1. August R., 2000, "International Business Law", Prentice Hall.
2. Arner D. & Lin J, 2003, "Financial Regulation – A Guide to Structural Reform", Sweet & Maxwell Asia
3. Banking Ordinance
4. Companies Ordinance

5. Employment Ordinance
6. Gloccheski R, 2002, "Tort Law in Hong Kong", Sweet & Maxwell Asia
7. Inland Revenue Ordinance
8. Insurance Companies Ordinance
9. Mandatory Provident Fund Schemes Ordinance
10. Misrepresentation Ordinance
11. Securities and Futures Ordinance (SFO)
12. Trustee Ordinance
13. Web site of the Hong Kong's Bilingual Laws Information System (BLIS),
<http://www.blis.gov.hk/index.htm>
14. Web site of the Hong Kong Exchanges and Clearing Limited,
<http://www.hkex.com.hk>
15. Web site of the Hong Kong Securities and Futures Commissions, <http://www.sfc.hk>
16. Web site of the Mandatory Provident Fund Schemes Authority,
<http://www.mpfahk.org>
17. Web site of the Office of Commissioner of Insurance, <http://www.oci.gov.hk>

Further Readings:

Chapter 1

1. Bamford, Colin. 2011. Principles of International Financial Law, Oxford University Press, New York.
2. Dobinson, Ian, and Derek Roebuck, 2001. Introduction to law in the Hong Kong SAR, Sweet & Maxwell Asia.
3. Mau, Stephen D. 2013. Hong Kong Legal Principles, Hong Kong University Press.

Chapter 2

1. HKMA's Supervisory Policy Manuals, <http://www.hkma.gov.hk/eng/key-functions/banking-stability/supervisory-policy-manual.shtml>
2. Securities and Futures Ordinance, <https://www.elegislation.gov.hk/hk/cap571>

Chapter 3

1. Licensing Information Booklet, Aug 2003, SFC
2. Enforcement Division, Tackling Market Misconduct , Autumn 2002, SFC Quarterly Bulletin

Chapter 4

1. Guidance on selling of investment products and handling of client securities, February 2017, HKMA
2. Important Facts Statement (IFS) for Currency-Linked Instruments and Interest Rate-Linked Instruments Issued by Authorized Institutions (AIs) ("ILCL instruments"), April 2011, HKMA
3. Selling of Investment Products to Private Banking Customers, June 2012, HKMA
4. Code of Conduct and Practice, March 2014, TMA
5. PWMA Code of Ethics and Conduct, October 2014

