

Module Outline

Certified Banker (CB Stage)

Banking Law and Practice

Benchmarked HKQF Level:	6
No. of Credits:	30
Total Notional Learning Hours:	300
a) Class contact hours:	30 hours (3-hour per session x 10)
b) Self-study hours:	267 hours
c) Assessment hours:	3 hours
Pre-requisite:	NA

Module Objective

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

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

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

MIOs	Intended Outcomes / Competence	*Unit of Competencies (UoCs)
MIO-1	Critically assess the implications of the current law and practice governing banker's roles in banker-customer contractual and non-contractual relationships.	107385L6/109318L6 107386L6 109272L6
MIO-2	Analyse critically the bank's duty in different types of accounts and account conduct in banking operations under the framework of banker-customer relationship.	109296L6 109306L6 109332L6
MIO-3	Evaluate critically the law related to security which commonly accepted by the banks.	109321L5
MIO-4	Communicate and assess the consequences of undertaking bankruptcy proceedings to the bank and	

	customer in relation to bank's bad debt collection procedures.	
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**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:	3 hours
Examination format:	Part I – Case Study question Part II – 3 out of 5 essay questions
Pass mark:	50%

Syllabus

PART I – Banker-Customer Relationship and Account Opening	
Chapter 1: Contractual Relationship in Law and Practice	
1.1	Contractual Relationship under Code of Banking Practice
1.1.1	- Special relationship involved in: <ul style="list-style-type: none"> • Mandates • Powers of Attorney (including Enduring Power of Attorney) • Limitation of actions • Appropriation of payments • Set-off • Bankers' lien
1.2	Banker's Duty of Secrecy (including bankers' opinions/trade enquiries)
1.3	Code of Banking Practice
1.4	Code of Practice on Consumer Credit Data and Personal Data Privacy Ordinance
1.5	Statement of account or passbook
1.6	Wrongful dishonour of cheques
1.7	Exemption Clauses
1.8	Customer Protection and Dispute Resolution in Banking
Chapter 2: The Opening and the Conduct of Accounts	
2.1	The opening and the conduct of accounts in credit and debit for various customers
2.1.1	- Personal customers
2.1.2	- Joint customers
2.1.3	- Minors

2.1.4	- Executors, administrators and trustees
2.1.5	- Proprietors and partnerships
2.1.6	- Unincorporated clubs, societies and solicitors
2.1.7	- Incorporated companies (including overseas companies, nominee holding companies)
2.2	Anti-money laundering and terrorist financing
PART II – Banking Operations	
Chapter 3: Bills of Exchange and Other Banking Operations	
3.1	Types of negotiable and quasi negotiable instruments
3.2	Bills of Exchange
3.2.1	- Definition of a bill of exchange
3.2.2	- Parties, elements in a bill of exchange
3.2.3	- Dating, acceptance, negotiation of a bill
3.2.4	- Indorsement, holder for value, holder in due course, forged or unauthorized Signature
3.2.5	- Delivery, duties of holder, discharge of a bill
3.2.6	- Bills of Exchange relating to collecting bankers and paying bankers
3.3	Promissory Notes
3.3.1	- Definition of a promissory note
3.3.2	- Differences between promissory notes and bills of exchange
3.3.3	- Liabilities of parties
Chapter 4: Other Banking Operations	
4.1	Credit cards
4.2	Direct debits (e.g. ATM, EPS, Standing orders)
4.3	Investment advice
4.4	Safe custody
4.5	Ancillary financial services (e.g. Hire purchase, Factoring, Leasing)
4.6	Internet and phone banking
PART III – Laws related to Security	
Chapter 5: Guarantee	
5.1	Guarantees and indemnities distinguished
5.2	Types of guarantee and formal requirements
5.3	Liability of guarantor, guarantor's rights against the creditor and guarantor's rights against the debtor
5.4	Rights of co-guarantors among themselves and discharge of the guarantor

Chapter 6: Mortgage of Land	
6.1	Definition and creation of mortgage
6.2	Legal and equitable mortgage
6.3	Mortgagee's powers and remedies
6.4	Mortgagor's rights
Chapter 7: Other Security Interest	
7.1	Company Charges: Definition and creation of charge, fixed and floating charges, chargee's powers and remedies, chargor's rights
7.2	Pledge: Definition and creation of pledge, pledgee's powers and remedies, pledgor's rights
7.3	Hypothecation: Hypothecation and pledge
7.4	Company Shares: Mortgages of company shares, powers and remedies of mortgagees
7.5	Insurance Policies: Creation of security interest in different types of insurance policies
Chapter 8: Looking Ahead - Banking Law and Practice in the future	
8.1	Cryptocurrency, Virtual Assets and Financial Technology
8.2	Climate Finance and Sustainable Finance
8.3	Cyber Risk and Technology Risk
8.4	Information Sharing among AIs for Crime Prevention and Detection
PART IV – Insolvency	
Chapter 9: Bankruptcy	
9.1	Main functions of bankruptcy proceedings. Who may be made bankrupt? Who may present a bankruptcy petition?
9.2	Grounds for commencement of a bankruptcy proceeding
9.3	The statutory demand
9.4	New concepts in bankruptcy: transactions at an undervalue, unfair preferences extortionate credit transactions. Bankruptcy proceedings
9.5	Consequences of bankruptcy. Proof of debts. Setting off before proof. Property available for payment of debts
9.6	Trustees in bankruptcy
9.7	Discharge from bankruptcy
9.8	Voluntary arrangements
Chapter 10: Winding-up	
10.1	Modes of winding up. Winding up by the court: jurisdiction
10.2	Winding up by court by way of summary procedure

10.3	Winding up with a regulating order
10.4	Winding up of unregistered companies
10.5	Assets of the company available for distribution: contributories, collection of the company's assets, onerous property
10.6	Voluntary winding up
10.7	Other winding up transactions

Recommended Readings

Essential Readings:

1. HKIB Study Guide of CB Stage - BLP: Banking Law and Practice. (2024).

Supplementary Readings

1. HKMA. (2023). Code of Banking Practice.
2. Wilson, C. (2016). Banking Law and Practice in Hong Kong. (1st ed). Sweet & Maxwell.
3. Roebuck, D, Srivastava, K, Zafrullah, H., & Tsui, S. (2009). Banking Law in Hong Kong: Cases and Materials. (2nd ed.). Lexis Nexis.

Further Readings

1. Lee, K. (2023). Hong Kong Banking Law Handbook (6th ed.). Butterworths.
2. Arner, D., Hsu, B., Goo, S., Johnstone, S., Lejot, P., & Kwok, M. (2016). Financial Markets in Hong Kong: Law and Practice. (2nd ed.). Oxford University Press.
3. Mahncke, H., Ramsden, M., Marsh, L., & Yankson, S. (2014). The Hong Kong AntiMoney Laundering Ordinances Commentary and Annotations (Collected Volume). (1st ed.). Sweet & Maxwell.

To be further updated upon completion of content development / enhancement.