

Enhanced Competency Framework

Accreditation Mechanism

Hong Kong Monetary Authority

22 March 2018

(This latest version replaces the previous version of November 2017.

Updates are shown in blue.)

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1 General Criteria

1.1 The ECF accreditation mechanism is established for interested authorized institutions or education and training operators to have their learning programmes accredited as meeting the ECF standards (including but not limited to the Qualifications Framework (QF) Standards). A learner who has completed an ECF accredited learning programme can then proceed to take the related certification examination hosted by the relevant professional body in order to be qualified for obtaining the ECF certification for a particular module. At present, the ECF accreditation mechanism is applicable to the following module(s):

- I. Treasury Management (Core Level and Professional Level)
- II. Retail Wealth Management (Core Level and Professional Level)
- III. Anti-Money Laundering and Counter-Financing of Terrorism (Core Level and Professional Level)

1.2 The general criteria for ECF accreditation are as follows:

- (a) The learning programme meeting the required standards of individual ECF modules including programme objectives and learning outcomes, programme content and structure, and trainer qualifications and learning mode. Please refer to Annex 1 for the assessment criteria of specified ECF modules;
- (b) Accreditation of the learning programme at corresponding QF Levels; and
- (c) Endorsement by the ECF Steering Committee.

2 Application Procedures

2.1 In order to satisfy criteria 1.2 (a) and (b) outlined above,

- (a) For self-accrediting institutions (e.g. institutions funded by the University Grants Committee, including their continuing education arms) / institutions with Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) Programme Area Accreditation (PAA) status in related programme areas, they are

required to: (i) complete internal quality assurance processes for meeting the relevant ECF objectives and the corresponding QF Level and (ii) be assessed by HKCAAVQ as fulfilling the ECF training objectives.

- (b) For other institutions, they are required to complete the accreditation by HKCAAVQ to confirm that their learning programmes can meet the ECF training objectives and the corresponding QF Level.

For the detailed guidelines in relation to application for assessment and accreditation, please visit the website of HKCAAVQ at <https://www.hkcaavq.edu.hk/>.

2.2 Based on the relevant HKCAAVQ accreditation or assessment outcome report submitted by the applicant, the ECF Steering Committee will confirm whether the training programme is or is not successful to qualify as an ECF accredited programme. A successfully accredited learning programme will then be eligible for uploading to the Qualifications Register maintained by HKCAAVQ. The route for ECF accreditation is illustrated at Annex 2.

2.3 An applicant should notify the ECF Steering Committee the intention of obtaining ECF accreditation and then submit the application to HKCAAVQ for accreditation or assessment. Upon completion of the relevant process, the applicant is required to send the HKCAAVQ accreditation or assessment outcome report to the ECF Steering Committee for endorsement. The contact information of the ECF Steering Committee is as follows:

- Email: ecf_hkma@hkma.gov.hk

Annex 1 – ECF Accreditation Mechanism – Assessment Criteria

I. Treasury Management (Core Level and Professional Level)

Assessment Criteria	Treasury Management (TM)	
	<u>Core Level</u>	<u>Professional Level</u>
QF Level	- Level 4	- Level 6
Learning Outcomes	<ul style="list-style-type: none"> - Apply macroeconomic theories in explaining how the financial system works - Understand the key aspects of regulatory framework in treasury markets - Differentiate and analyse different treasury markets and financial products - Explain the key concepts of prudent risk management - Apply the code of conduct and practice in work environment 	<ul style="list-style-type: none"> - Comprehend the international payments and banking systems, working capital management, liquidity management, alternative funding solutions and global treasury management issues - Critically analyse the practices of dealing and structuring of corporate treasury products in global financial markets, the regulatory governance and treasury security, controls and audit which are relevant to practitioners in Hong Kong and China - Critically assess and apply financial principles and analytical tools of corporate financial management, foreign exchange risk management and interest rate risk management in global financial markets - Evaluate the principles and strategies of treasury risk management, - Apply different techniques to qualify and measure risks and pricing and valuation methods for treasury products - Critically evaluate the impacts of global code of conduct and financial compliance in treasury management in Hong Kong and China - Critically analyse various strategies of market risk

Assessment Criteria	Treasury Management (TM)	
	<u>Core Level</u>	<u>Professional Level</u>
		management, liquidity risk management and RMB risk management in Hong Kong and China
Contents <i>(For detailed syllabus, please refer to the Circular - Enhanced Competency Framework on Treasury Management.)</i>	<ul style="list-style-type: none"> - Financial markets and systems - Forex and money markets - Interest rate and the economy - Debt and capital markets - Derivatives and commodities markets - Operations and risk management - Ethics and compliance 	<ul style="list-style-type: none"> - Overview of the global financial markets - Banking treasury management - Corporate treasury management - Treasury products - Interest rate securities and derivatives - Hedging and trading strategies - Treasury risk management and practices - Financial regulations and compliance
Programme Duration (Minimum Contact Hours)	- 6 hours	- 117 hours
Trainers' Qualification Requirements (For trainers responsible for >25% of total teaching hours)	<ul style="list-style-type: none"> - Extensive work experience (5+ years) in treasury management and related financial analysis, of which at least 3 years in the banking sector; and - Relevant academic and / or professional qualifications such as CFA, Master in finance, and Master in investment management; and - Experience in teaching related topics is preferred 	<ul style="list-style-type: none"> - Extensive work experience (8+ years) in treasury management and related financial analysis, of which 5 years accumulated at supervisory / management level in the banking sector; and - Relevant academic and / or professional qualifications such as CFA, Master in finance, and Master investment management; and - Experience in teaching related topics is required
Assessment Requirements	- Obtain a pass in the ECF on TM examination organised by the Treasury Markets Association	- Obtain a pass in the ECF on TM examinations organised by the Treasury Markets Association

II. Retail Wealth Management (Core Level and Professional Level)

Assessment Criteria	Retail Wealth Management (RWM)	
	<u>Core Level</u>	<u>Professional Level</u>
QF Level	- Level 4	- Level 5
Learning Outcomes	<ul style="list-style-type: none"> - 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 - Understand the key regulatory requirements applicable to investment and insurance business of authorized institutions and their compliance - Understand the global and Hong Kong financial systems and markets - Demonstrate comprehensive knowledge of investment products and markets - Examine the techniques of securities analysis and investment - Understand the basic concept of portfolio theory - Evaluate the principle and features of different insurance products in order to customize the financial plan and retirement plan according to the needs of customers - Understand the banking products and services - Examine in greater detail how various banking products and services assist financial planners to provide “one-stop solution” to customers - Understand the Code of Conduct for investment services and the Code of Banking Practice for banking services and the professional ethics of a practitioner 	<ul style="list-style-type: none"> - Conduct financial planning in accordance with prescribed steps, such as financial needs analysis and risk assessment - Acquire comprehensive knowledge in the various banking services and practices and explain the special features of different investment products as well as fundamental principles in investments - Apply the suitability obligation to the sale of specific types of investment and insurance products - Evaluate different techniques and principles related to fund and asset management in order to propose suitable strategies to customers - Construct financial plans based on analysis on the needs of customers - Employ appropriate communication skills to make presentation to customers based on analysis on preference and styles of customers - Demonstrate awareness of the key features of Hong Kong’s financial dispute resolution scheme - Explain the duties of a practitioner to disclose and report knowledge or suspicion of illegal or improper activities - Enhance working knowledge in alternative investment and real estate investment for application

Assessment Criteria	Retail Wealth Management (RWM)	
	<u>Core Level</u>	<u>Professional Level</u>
	<ul style="list-style-type: none"> - Acquire thorough understanding of the essence of financial planning services - Demonstrate the essential skills for insurance and retirement planning 	<ul style="list-style-type: none"> - in investment planning - Demonstrate knowledge in wealth planning services for structuring financial and wealth planning solution - Formulate wealth planning solutions and financial planning for clients with total understanding of wealth planning products and services, taxation system and tax planning and estate planning solutions
Contents <i>(For detailed syllabus, please refer to the Circular - <u>Enhanced Competency Framework on Retail Wealth Management.</u>)</i>	<ul style="list-style-type: none"> - Essentials of banking - Investment planning - Ethics and compliance - Insurance and retirement planning 	<ul style="list-style-type: none"> - Investment and asset management - Tax planning and estate planning - Financial planning and wealth management
Programme Duration (Minimum Contact Hours)	<ul style="list-style-type: none"> - 60 hours 	<ul style="list-style-type: none"> - 45 hours
Trainers' Qualification Requirements (For trainers responsible for >25% of total teaching hours)	<ul style="list-style-type: none"> - Extensive work experience (5+ years) in wealth management and / or financial planning services for retail customers, of which as least 3 years in the banking sector; and - Relevant academic and / or professional qualifications such as CRWP, CFMP, CFP, and Master in finance; and - Experience in teaching related topics is preferred 	<ul style="list-style-type: none"> - Extensive work experience (8+ years) in delivering and supervising wealth management and / or financial planning services for retail customer, of which at least 5 years in the banking sector; and - Relevant academic and / or professional qualifications such as CRWP, CFMP, CFP, and Master in finance; and - Experience in teaching related topics is required

Assessment Criteria	Retail Wealth Management (RWM)	
	<u>Core Level</u>	<u>Professional Level</u>
Assessment Requirements	- Obtain a pass in the ECF on RWM examinations organised by the Hong Kong Institute of Bankers	- Obtain a pass in the ECF on RWM examinations organised by the Hong Kong Institute of Bankers
Remarks	- N/A	- Minimum entry requirement: completion of ECF on RWM Core Level programme or equivalent.

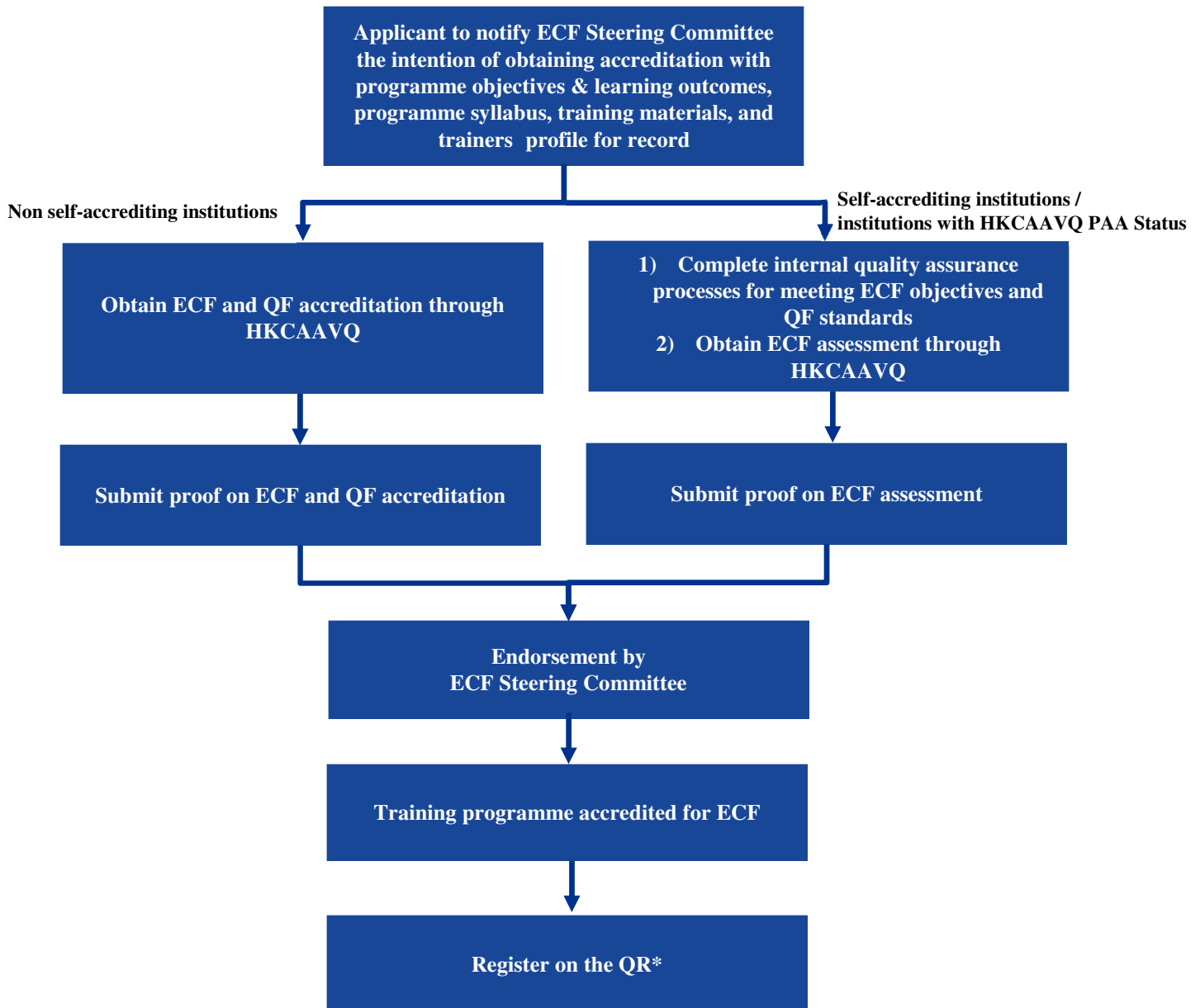
III. Anti-Money Laundering and Counter-Financing of Terrorism (Core Level and Professional Level)

	Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT)	
	<u>Core Level</u>	<u>Professional Level</u>
QF Level	- Level 4	- Level 5
Learning Outcomes	<ul style="list-style-type: none"> - Explain what money laundering/terrorist financing (ML/TF) is and how to relate it to the banking and finance sector and to their work of Relevant Practitioners in Hong Kong - Specify the importance of ML/TF related to Hong Kong banking and finance sector - Describe the AML/CFT International Standards and related Hong Kong legal and regulatory framework - Identify key elements of AML/CFT risk management framework in system design and assess the related risks - Assess the transactions pattern and apply customer due diligence requirements for identifying suspicious transactions for reporting - Apply and assess the ongoing AML/ CFT monitoring system and 	<ul style="list-style-type: none"> - Assess and analyze the compliance risk of different operations by applying a risk-based approach and take current and emerging AML/CFT trends, regulatory requirements, techniques and typologies into account - Develop compliance programme, control measures assessment tools and internal standards to manage compliance and fraud risk to align with laws and regulations particularly related to AML/CFT - Track and monitor of activities critical to compliance and detect non-compliance issues, suspicious and illegal transactions based on observation, data analysis and regulatory requirements - Manage and investigate incidents of non-compliance and develop

	Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT)	
	<u>Core Level</u>	<u>Professional Level</u>
	investigation process	mitigation strategies to minimize the impacts of breaches of regulations - Build an effective AML/CFT risk management system with risk-based approach to ensure regulatory changes and related compliance programme and measures are well communicated to the employees
Contents <i>(For detailed syllabus, please refer to the Circular - <u>Enhanced Competency Framework on Anti-Money Laundering and Counter-Financing of Terrorism.</u>)</i>	<ul style="list-style-type: none"> - Fighting money laundering / terrorist financing (ML/FT) – why it is important and what is the legal / regulatory framework - Managing the risk of ML/TF in banks in Hong Kong – How does ML/TF take place - How can banks combat ML/TF through establishing an AML/CFT risk management framework - Knowing your customer – Customer due diligence - Monitoring, sanctions compliance and suspicious transaction reporting 	<ul style="list-style-type: none"> - Application of the risk-based approach - Building an effective AML/CFT risk management system - The risk-based approach and AML/CFT risks in specialist topics - Ensuring financial inclusion - Managing stakeholders effectively
Programme Duration (Minimum Contact Hours)	- 6 hours	- 18 hours
Trainers' Qualification Requirements <i>(For trainers responsible for >25% of total teaching hours)</i>	<ul style="list-style-type: none"> - Extensive work experience (5+ years) in AML compliance, of which at least 3 years related to the key roles of Professional Level Relevant Practitioner; and - Relevant academic and / or professional qualifications such as CAMLP, CAMS, and ICA International Diploma in AML; and - Experience in teaching related topics such as AML/CFT and 	<ul style="list-style-type: none"> - Extensive work experience (8+ years) in AML compliance, of which at least 5 years related to the key roles of Professional Level Relevant Practitioner; and - Relevant academic and / or professional qualifications such as CAMLP, CAMS, and ICA International Diploma in AML; and - Experience in teaching related

	Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT)	
	<u>Core Level</u>	<u>Professional Level</u>
	financial crime investigation is preferred	topics such as AML/CFT and financial crime investigation is preferred
Assessment Requirements	- Obtain a pass in the ECF on AML/CFT examination organised by the Hong Kong Institute of Bankers	- Obtain a pass in the ECF on AML/CFT examination organised by the Hong Kong Institute of Bankers
Remarks	- N/A	- Minimum entry requirement: completion of ECF on AML/CFT Core Level programme or equivalent.

Annex 2 – Routes for ECF Accreditation



*Subject to re-accreditation/re-assessment by HKCAAVQ