



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B9/166C

18 December 2015

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Enhanced Competency Framework for Banking Practitioners

The HKMA has been actively supporting initiatives to raise the professional competence of financial services practitioners in Hong Kong in recent years. A notable example is the launch of an enhanced competency framework (ECF) for private wealth management practitioners in June 2014. The HKMA has mentioned on previous occasions that it will explore similar efforts in other areas of banking operations. This circular provides an update on a current initiative to develop professional standards and qualifications in banking as part of the continuing efforts to maintain Hong Kong's status as an international financial centre.

Drawing on the experience of the ECF for private wealth management practitioners, the HKMA will, in collaboration with the banking industry, The Hong Kong Institute of Bankers (HKIB) and other relevant professional bodies such as the Treasury Markets Association, introduce an industry-wide competency framework to support capacity building and talent development. Under the ECF for banking practitioners, successive training and qualification programmes will be introduced for various streams of professional work in the banking sector over the next few years, starting with anti-money laundering and counter-terrorist financing (AML/CFT). The objectives are to enlarge the talent pool particularly at the entry level and to raise and maintain the professional competence of banking practitioners.

A Steering Committee chaired by the HKMA, comprising representatives from The Hong Kong Association of Banks (HKAB) and HKIB, has been set up to advise on the development of the ECF for banking practitioners. The HKMA will shortly be consulting the industry on proposals for the ECF on AML/CFT, with the aim of rolling out the framework by the fourth quarter of 2016.

Thereafter, the HKMA will consult the industry on plans to launch similar ECFs on other major functional areas which are central to the safety and soundness of authorized institutions (AIs) and where talent shortages are more apparent. These are expected to include risk management, compliance and internal controls, treasury management, credit risk management and retail wealth management. Although the ECF for banking practitioners is not intended to be a mandatory licensing regime, AIs are advised to adopt the ECF as the benchmark for enhancing the level of core competence and ongoing professional development of banking practitioners.

Given its extensive experience in the provision of training and qualifications for the local banking sector, HKIB has been tasked to develop relevant training and qualification programmes under the ECF and to act as the administrator. Going forward, it will also be the main external provider of the ECF training programmes and examinations.

The ECF initiative will benefit all AIs and its success hinges on the full support of the banking industry. To induce collective effort to develop talent in the banking industry, the HKMA strongly encourages all AIs to become a corporate member of HKIB, as a first step to contribute to the ECF initiative and keep abreast of developments relating to the qualifications framework.

I understand that the Chief Executive Officer of HKIB will be approaching AIs which are not yet corporate members of HKIB, with a view to inviting them to join the Institute. In the meantime, AIs may direct any enquiries regarding HKIB membership to Mr Wai-hung Yeung of HKIB on 2153-7886 or Ms Cherry Chan of HKIB on 2153-7866.

Yours faithfully,

Arthur Yuen
Deputy Chief Executive

c.c. HKIB (Attn: Ms Carrie Leung, Chief Executive Officer)