

Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 1. General Enterprise Banking Service Delivery
(Key Function – 1.5 Delivery of Trade Finance Related Services)

Title	Provide factoring services to meet the clients' needs
Code	109177L5
Range	Provision of different kinds of factoring services. This applies to different segments of enterprise banking clients.
Level	5
Credit	4 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge in the Subject Area</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Understand the exporters' general requirements in factoring in order to apply the knowledge to identify individual clients' needs; • Understand the operational procedures of factoring and apply the knowledge to fit-in the clients' production processes and provide financial stability. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Review the regularity and volume of trade of the clients in order to identify the finance requirements of the business; • Review the nature of the business according to current information in line with the bank's requirements; • Evaluate clients' regular business payment of critical overheads according to the records of payments made and amounts outstanding; • Evaluate the financial standings of the clients to measure the risk exposure according to the bank's requirements; • Review the viability of the business opportunity with particular attention to the assets, debtors and working capital of clients; • Analyse the past payment pattern of the debtors of the clients in order to assess the reliability of their income flow; • Review the effectiveness of actual security covered over the factoring liability. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Assess the financial profitability and risk associated with each product option in line with the bank's procedures; • Explain the factoring processing procedures to clients in terms of the requirements of the bank's systems and procedures in order to check if the processes can meet their production schedule and financial needs; • Identify suitable product options which match with the clients' needs, taking into consideration with the client background and special requirements.
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Provision of suitable types of factoring services by identifying the financial needs of clients and level of risks involved in the deal.
Remark	